

Arizona Wholesaler Presentation

Prepared October 1, 2012



Objectives

Establish common understanding of:

A.R.S. Title 4 (statute)

- Commercial Coercion or Bribery
- Purchasing form other than Primary Source

A.A.C. Title 19 (rule)

- Sign Limitations
- Commercial Coercion and Bribery
- Exceptions to General Rule
- Tapping Equipment, Furnishing, Selling, Servicing



A.R.S. §4-243

Commercial coercion or bribery
unlawful: exceptions



A.R.S. §4-243(A)

It is unlawful for a person engaged in the business of distiller, vintner, brewer, rectifier, blender or any other producer or wholesaler of any liquor directly or indirectly, or thorough an affiliate...

This includes:

- Brand ambassadors
- Brand representatives
- Any representative between the producer and wholesaler



A.R.S. §4-243(A)(1-9)

(A)(1)

Exclusion



A.R.S. §4-243(A)(1)

Title 4 “Exclusion”:

- *To require a retailer to purchase products exclusively from your company.*



A.R.S. §4-243

Example of unlawful “exclusion”:

“XYZ-Wholesaler” enters into a sales contract with “The Pub”, a retailer, in which “The Pub” agrees to purchase all of its liquor exclusively from XYZ to the exclusion of products offered for sale by others in interstate commerce. In exchange, XYZ will sell its product to “The Pub” at a very favorable cost.



A.R.S. §4-243

Exclusion – ...inducement to purchase one person's alcohol must be “to the exclusion, *in whole or in part*” of alcohol sold by other.



A.R.S. §4-243

Example of “exclusive products” found in a “cumulative quantity discount” solicitation by an Arizona wholesaler:

well
cordial
flavored vodka
tequila
75% of all specialty cocktail lists
spiced rum
single malt



A.R.S. §4-243(A)(1-9)

(A)(2)

Induce



A.R.S. §4-243(A)(2)

Unlawful industry practices that “induce”:

•To offer:

- Marketing \$
- Sponsorships
- Slotting fees
- CQDs
- Monetary payment for carrying product
- Payment for displays or shelf space, storage
- Reimbursement off back end



A.R.S. §4-243(A)(2)

Unlawful industry practice using IRC inducements:

- IRC (immediate redeemable coupon)
 - Giving more IRCs than product received
 - Possible consumer fraud



A.R.S. §4-243(A)(2)

Unlawful industry practice using travel inducements:

- Travel

- Offering distillery/vintner/brewer educational tours
- Must exclude travel and lodging costs
- May not require minimum purchase of product



A.R.S. §4-243(A)(1-9)

(A)(3)

Interest



A.R.S. §4-243(A)(2)

Title 4 definition of “interest”:

- To **acquire** interest in property owned, occupied, or used to do business by a retail licensee.



A.R.S. §4-243(A)(2)

Unlawful industry practice of retail
“interest”:

- To purchase or rent for a retail licensee:
 - shelf space
 - Storage
 - Warehouse space
 - Office space/providing in-house support staff
 - Subleasing wall for advertising



A.R.S. §4-243(A)(1-9)

(A)(4)

Furnish, Give Rent, Lend, Sell



A.R.S. §4-243(A)(4)

Title 4 example of “furnish”, “give”, “rent”, “lend”, “sell”:

- Supply retailer of anything with a value of more than zero \$

(a rules exception can apply and will be shown later in this presentation)



A.R.S. §4-243(A)(4)

Unlawful examples of “furnish”, “give”, “rent”, “lend”, “sell”:

- Umbrellas
- Coolers
- Lawn Chairs
- Cabanas
- BBQs
- Bicycles
- Musical instruments
- Racks that increase shelf space
- Furniture
- Freezers
- Bar stools
- Drink dispensing equipment
- Slush machines
- Wine/liquor tapping equipment
- Surfboards
- Whiskey barrels



A.R.S. §4-243(A)(1-9)

(A)(5)

Pay or Credit



A.R.S. §4-243(A)(5)

Title 4 - “pay or credit”:

- Pay or credit for advertising, display or distribution services

(a rules exception can apply and will be shown later in this presentation)



A.R.S. §4-243(A)(5)

Unlawful industry practice using “pay or credit”:

- 3rd party reimbursements
 - Billboards deals
 - Radio spots
 - Print media (ads, flyers)
 - Vehicle wraps
 - National chain accounts



A.R.S. §4-243(A)(1-9)

(A)(6)

Loan or Repayment Guarantee



A.R.S. §4-243(A)(6)

Title 4 - “loan or repayment guarantee”:

- For financial obligations of the retailer.



A.R.S. §4-243(A)(6)

Current industry practices of unlawful “loan or repayment guarantee”:

- Co-sign on new location build-out, lease, or any loans (equipment, furnishings, etc.)
- Retailer purchases wholesaler draft system install, then wholesaler compensates retailer for services or products of equal value



A.R.S. §4-243(A)(1-9)

(A)(7)

Extend Credit



A.R.S. §4-243(A)(7)

Title 4 example of “extend credit”:

- On sale of spirituous liquor

ARIZONA IS
“CASH ON DELIVERY” (COD)
ONLY



A.R.S. §4-243(A)(1-9)

(A)(8)

Quota Requirements



A.R.S. §4-243(A)(8)

Title 4 example of “quota requirements”:

- Require retailer to take or dispose of stated amount of liquor



A.R.S. §4-243(A)(8)

Title 4 example of “quota requirements”:

- When a wholesaler requires a retailer to sell a pre-determined amount to qualify to sell a special or exclusive product.



A.R.S. §4-243(A)(1-9)

(A)(9)

Compensate Retail Officer or Staff



A.R.S. §4-243(A)(9)

Unlawful industry practice with “compensate retailer”:

- To give bonus, premium, or compensation
 - Pay to play
 - Slot fees
 - Gift card exchange for carrying product
 - Marketing \$
 - Reimbursements
 - Entertainment
 - Sponsorships
 - Samplings
- Donations
- Concerts
- Paying for DJs
- Promotional funds or support
- Up-front spends
- Travel
- Furniture
- CQDs



A.R.S. §4-243(B)(1)-(3)

(B)(1)

Title 4 does not prohibit:

- Financial and other forms of event sponsorship to charitable or non-profit organization that have been issued a special event license.



A.R.S. §4-243(B)(2)-(3)

A.R.S. 4-243 (B) (2)

Covers procedures for providing samples to consumers at on-sale premises establishments.

A.R.S. 4-243 (B) (3)

Covers procedures for providing samples to consumers at off-sale premises establishments.



A.R.S. §4-243(B)(2)

Title 4 wholesaler provisions for on-premise sampling:

- a) Conducted under supervision of an employee of producer or wholesaler
- b) Limited to 12oz of beer or cooler product, 6oz of wine or 2oz distilled
- c) If retailer prepares drink, it must be paid for
- d) Can't buy drinks for employees
- e) Can't give
 - a) Keg of beer
 - b) Any spirituous liquor
 - c) Or any gifts or benefits to the on-sale retailer



A.R.S. §4-243(B)(3)

Title 4 wholesaler provisions for off-premise sampling:

a) Conducted by an employee of producer or wholesaler

b) Producer or wholesaler must notify the Department in writing or electronic means not less than 10 days before the date, time and location of sampling

c) Limited to 3oz beer or cooler, one & ½ ounces of wine or one oz of distilled spirits per person per day



A.R.S. §4-243(B)(3)

Title 4 wholesaler provisions for off-premise sampling:

- d) 12 sampling events per year
- e) Only one wholesaler or producer per event
- f) Cannot exceed 3 hours in length
- g) A producer must buy sampled product from wholesaler
- h) Shall not server persons under age 21



A.R.S. §4-243(B)(3)

Title 4 wholesaler provisions for off-premise sampling:

h) Producer or wholesaler shall designate and area which sampling is conducted that is in the portion of the premises where alcohol is primarily displayed and separated from the remainder of premises by:

1. Wall, rope, door, cable, cord, chain, fence or other barrier
2. Cannot allow anyone under 21 years of age in area



A.R.S. §4-243(B)(3)

Title 4 wholesaler provisions for off-premise sampling:

- i) Cannot provide samples to employees or owner
- j) Must be over 5000 square feet of retail space or in an establishment where 75% of shelf space is alcoholic beverages
- k) Producer/wholesaler may not give liquor, gifts or benefits to the retailer



A.R.S. §4-243(C)

Allows wholesaler to sell tobacco products and foodstuffs to a retailer:

- At a price not less than the cost to the wholesaler
- It is unlawful to use foodstuffs and non alcohol drinks as an inducement



A.R.S. §4-243(D)

Any wholesaler can furnish without cost promotional items to an on-sale retailer:

- Only a wholesaler can provide these items
- Cannot exceed \$500.00 in calendar year
 - Equipment
 - Supplies
 - Novelties
 - Advertising specialties (display brand name)
 - DOES NOT INCLUDE SIGNS

The cost of all items will be based on fair market value



A.R.S. §4-243(E)

It is unlawful for a retailer to request and receive anything of value that is prohibited except quantity discount:

Examples of unlawful industry practice:

- Vendor expectations
- In-house employee



A.R.S. §4-243.01

Purchasing from other than primary
source of supply unlawful; definitions



A.R.S. §4-243.01(B)

24-Hour Docking



A.R.S. §4-243.01(B)

Title 4 requirements for “24-hour docking”:

- Shipped into state
- invoiced to wholesaler by primary source
- unloaded and remain at wholesaler premises for 24 hours
- invoices transmitted to DOR



A.R.S. §4-244(3)(4) & (6)

Unlawful Acts



A.R.S. § 4-244(3)(4) & (6)

(3)

Title 4, unlawful acts:

- For distiller, vintner, brewer or wholesaler to knowingly sell, dispose or give liquor to any person other than a licensee
 - Except in sampling wares as may be necessary in the ordinary course of business
 - Except in donated liquor to a non-profit organization which has obtained a special event license



A.R.S. §4-244(3)(4) & (6)

(4)

Title 4, unlawful acts:

- For distiller, vintner, brewer to require a wholesaler to offer or grant a discount to a retailer unless the offer has been offered or granted to the wholesaler by the distiller, vintner, brewer.



A.R.S. §4-244(3)(4) & (6)

(6)

Title 4, unlawful acts:

- For a person to take or solicit orders for liquor unless the person is a salesperson or solicitor of a licensed wholesaler or a distiller, vintner, brewer, importer or brokers or a registered retail agent.



A.R.S. §4-227(A) – (B)

Spirituous liquor pricing; prohibition;
definitions



A.R.S. §4-227

(A) and (B)

Title 4 requires that a wholesaler shall sell its product to a qualified retail cooperative:

- without regard to the volume of the product purchased by the cooperative
- at the lowest price at which the wholesaler sells the product to other retail licensees at or near the location of the cooperative
- Shall apply only to purchases of 50 cases or more of a product on a single occasion



A.R.S. §4-227

“Channel pricing”:

The Department of Liquor allows two channels for pricing, on-and off-sale. National chain, multiple location, or any other channels are not permitted.



A.R.S. §4-227

Channel Pricing

Title 4 permitted pricing:

- Items sold at the advertised price
- Items available to all licensees in either the on- or off-sale channel at the same price
- Volume discounts offered at the same price to all licensees are permitted



A.A.C. R19-1-210

Sign Limitations



A.A.C. R19-1-210(A)-(C)

Sign Provisions



A.A.C. R19-1-210

(A)(1)

Title 4 allows a producer or wholesaler to LEND a retailer any sign for interior/exterior use if:

- Bares conspicuous and substantial advertising about the product.



A.A.C. R19-1-210

(A)(1)

Example of signs which bare conspicuous and substantial advertising about the product.



A.A.C. R19-1-210

Example of signs which bare conspicuous and substantial advertising about the product.



A.A.C. R19-1-210

Example of signs which bare conspicuous and substantial advertising about the product.



A.A.C. R19-1-210

(A)(2)

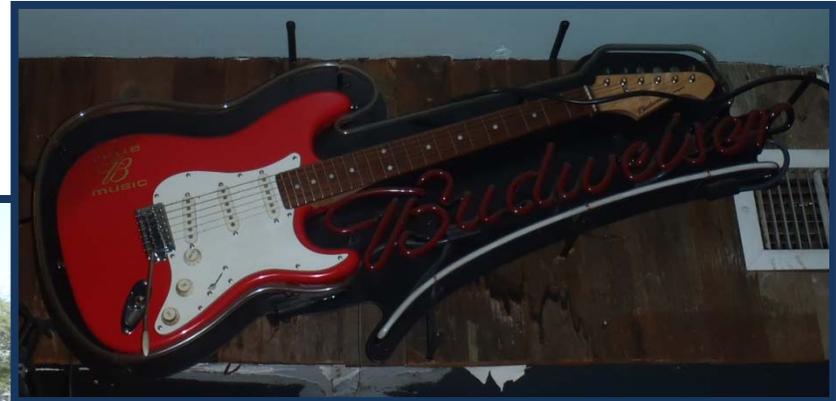
Producer or wholesaler may LEND a retailer any sign for interior/exterior use if:

- The cost of the sign does not to exceed \$400.



A.A.C. R19-1-210

Signage that exceeds a value of \$400.



A.A.C. R19-1-210

(A)(3)

Producer or wholesaler may LEND a retailer any sign for interior/exterior use if:

- There is no utilitarian value
- The sign advertises product information only



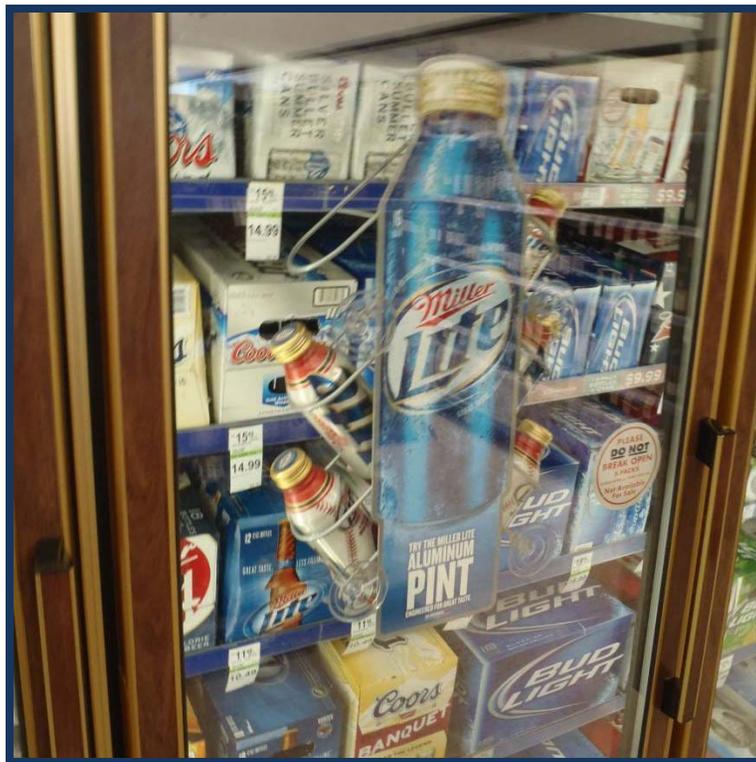
A.A.C. R19-1-210

Example of signage with NO utilitarian value, and is advertising only product information.



A.A.C. R19-1-210

Examples of signage with utilitarian value – increases shelf space.



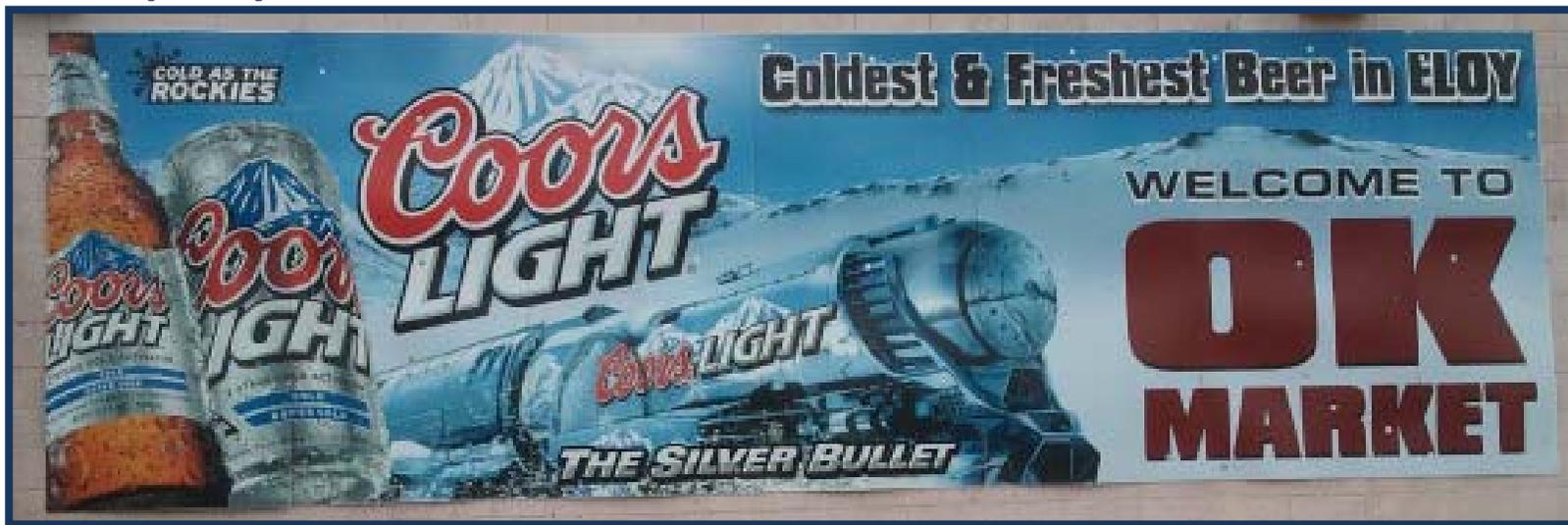
A.A.C. R19-1-210

Examples of signage with utilitarian value – displays store's name and drive through option



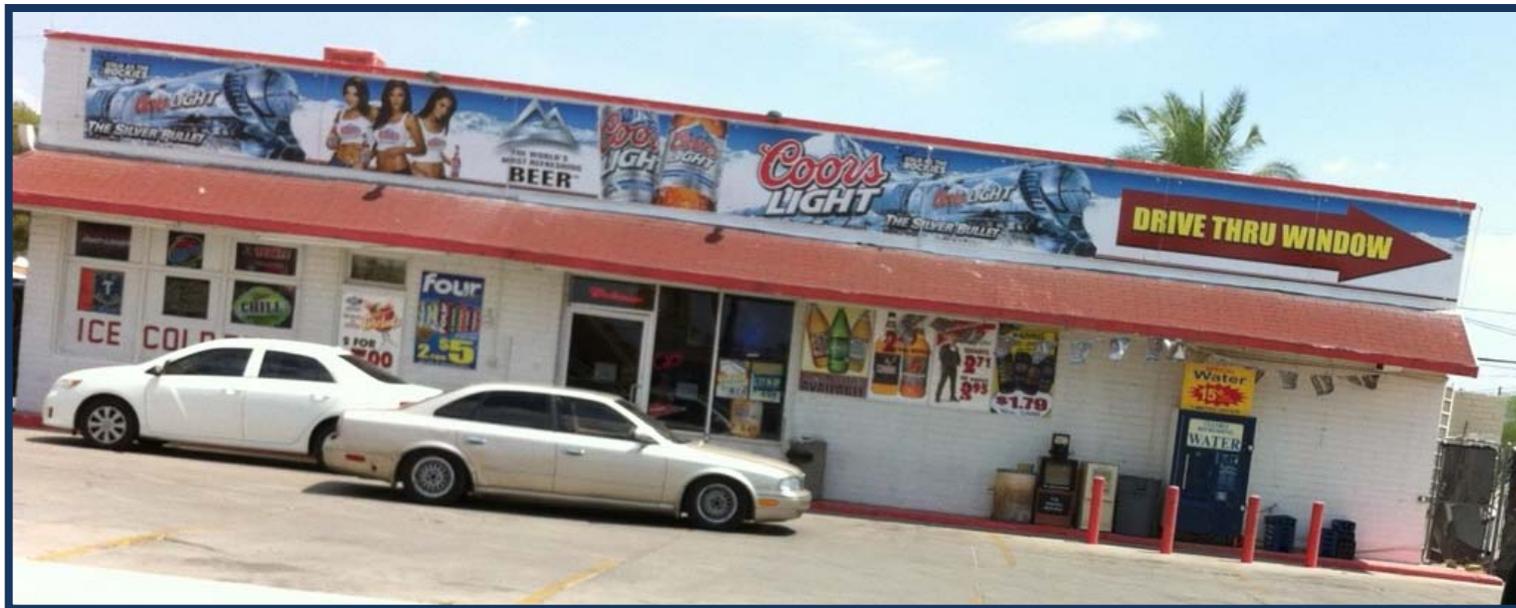
A.A.C. R19-1-210

Examples of signage with utilitarian value – displays store's name



A.A.C. R19-1-210

Examples of signage with utilitarian value—
displays store's name and drive through
option



A.A.C. R19-1-210

Examples of signage with NO utilitarian value:



A.A.C. R19-1-210

(A)(4)

Producer or wholesaler may LEND a retailer any sign for interior/exterior use if:

- Not an inducement to purchase or use products to the exclusion of a competitor's product.



A.A.C. R19-1-210

Examples of signage:

- “Lend” means “lend”
 - A wholesaler provides 40+ neon signs to a licensee, the licensee displays four signs and sells the rest
 - No documentation found that tracks the lending of neon signs (or other signs found on premise)



A.A.C. R19-1-210

Examples of what is NOT signage:

- Umbrellas
- Clocks
- Guitars
- Wine racks



A.A.C. R19-1-210

Examples of what is NOT signage:

- Umbrellas
- Clocks
- Guitars



A.A.C. R19-1-210

(B)

No signs and other advertising matter may be used in connection with the licensed premises which, applying contemporary standards, are obscene.



A.A.C. R19-1-210

(C)

These sign limitations in this rule do not apply to licensed special events.



A.A.C. R19-1-226

Commercial Coercion and Bribery



A.A.C. R19-1-226(A)

(A)(1)

Utilitarian Value



A.A.C. R19-1-226(A)(1)

Items of “utilitarian value” are items that are potentially useful to retailers in the conduct of their business



A.A.C. R19-1-226(A)(1)

Example of an item of NO “utilitarian value”:

Quad is not provided by wholesaler or producer



A.A.C. R19-1-226(A)(1)

Example of an item of “utilitarian value”:



A.A.C. R19-1-226

Example of an item of NO “utilitarian value”:

Grill made of cardboard



A.A.C. R19-1-226(A)(1)

Example of an item of “utilitarian value”:

Use of
cabana or
reuse of
materials



A.A.C. R19-1-226



Example of an item that increases shelf space and has “utilitarian value”



A.A.C. R19-1-226



Example of an
item of
“utilitarian value”:



A.A.C. R19-1-226(A)(1)



Example of an
item of
“utilitarian value”:



A.A.C. R19-1-226(A)(1)



Example of an
item of
“utilitarian value”:



A.A.C. R19-1-226

Product name and logo appears on both sides of this self and store shelf space has been increased



Example of an item of “utilitarian value”:



A.A.C. R19-1-226

Example of an
item with NO
“utilitarian value”:

Made of
cardboard



A.A.C. R19-1-226

Example of an
item with NO
“utilitarian value”:

Made of
cardboard



A.A.C. R19-1-226(A)(1)

Example of an
item of
“utilitarian value”:

Dispenser has been
attached to golf cart
for mobile use and
bares product name
and logo



A.A.C. R19-1-226(A)

(A)(2)

Equipment Financing or Credit



A.A.C. R19-1-226(A)(2)

Example of unlawfully providing
“equipment financing or credit”:

- Provide any part of the cost through sale of product or otherwise



A.A.C. R19-1-226(A)

(A)(3)

Providing Service



A.A.C. R19-1-226(A)(3)

Example of unlawfully “providing service”:

- Stocking, pricing of merchandise

(exception in A.A.C. R19-1-226(B) to follow)



A.A.C. R19-1-226(A)

(A)(4)

Paying, crediting, sharing costs



A.A.C. R19-1-226(A)(4)

Example of unlawfully “paying, crediting, sharing costs”:

- Paying or crediting for promotion, ad, display, PR, distribution
- Share costs for promotion or ads through media



A.A.C. R19-1-226(A)

(A)(5)

Loan Guarantee, Repayment,
Monetary Assistance



A.A.C. R19-1-226(A)(5)

Example of an unlawful “loan guarantee, repayment, monetary assistance”:

- As an aid to a retail licensee



A.A.C. R19-1-226(A)

(A)(6)

Credit Transaction



A.A.C. R19-1-226(A)(6)

Example of an unlawful “credit transaction”:

- Entering into in any form with retail licensee



A.A.C. R19-1-226(A)

(A)(7)

Quota Requirements



A.A.C. R19-1-226(A)(7)

Example of an unlawful “quota requirement”:

- To take or dispose of liquor



A.A.C. R19-1-226(A)

(A)(8)

Bonus, Premium, Compensation



A.A.C. R19-1-226(A)(8)

Example of an unlawful “bonus, premium, compensation”:

- To offer to a retailer directly or indirectly a:
 - Bonus
 - Premium
 - Other compensation



A.A.C. R19-1-226(B)

Lawful Inducements
(Defined by A.R.S. §4-243)



A.A.C. R19-1-226(B)

(1)

Example of a lawful inducement:

- Stocking a limited supply of liquor in a “cold box”



A.A.C. R19-1-226(B)

(2)

Example of a lawful inducement:

- Rotating liquor



A.A.C. R19-1-226(B)

(3)

Example of a lawful inducement:

- To furnish novelties of nominal value (key chains, sports schedules, recreation guides, cocktail specialty books)
- And other novelties of nominal value NOT used by the retailer to operate his/her business



A.A.C. R19-1-226(B)

(4)

Example of a lawful equipment, service, repairs:

- Furnish on-sale licensee with equipment necessary to operate a draft box
- Servicing and repair equipment to retain product quality

(R19-1-228, shown later, lists specifics)



A.A.C. R19-1-228

Exceptions to General Rule



A.A.C. R19-1-228(A)-(U)

Exceptions; Utilitarian Value



A.A.C. R19-1-228

(A)

“Exception; utilitarian value”:

- The following apply as long as items of value are not offered to the exclusion, in whole or in part, of liquor sold or offered by other persons.



A.A.C. R19-1-228

(B)(1)(a)-(c)

Licensed special events

- 1) Wholesaler/producer may participate when:
 - a) Event is licensed.
 - b) To other than a political group.
 - c) If held at a licensed location, nothing of value is left behind, OR given away to retailer OR his/her staff during OR after the event.



A.A.C. R19-1-228

(B)(2)

Licensed special events

2) Wholesaler/producer may donate when:

- Event is licensed
- To other than a political group
- If product purchased via retail, wholesaler may invoice sale through retailer after the event is complete



A.A.C. R19-1-228

(C)(1)

Resets, rotations; displays

1) Wholesaler/producer may:

- Stock, reset, rotate what it sells.
- Stocking may include pricing, cleaning shelves, furnishing point of sale written advertising that includes:
 - Price data (in compliance w/R19-1-210)
 - Rotating product
 - Cleaning product
 - Preparing product for sale at the point of sale
 - Only in locations where consumers purchase product
 - Retailers shall not require any of the above as a condition for shelf, cold box, or display space.



A.A.C. R19-1-228

(C)(2)

Resets, rotations; displays

2) Wholesaler/producer may:

- Furnish reset services as long as invited to do so by retailer.
- Retailer gives minimum of 2 working days notice.
- Producer/wholesaler may move their product or competitor's product during reset.



A.A.C. R19-1-228

(C)(3)

Resets, rotations; displays

3) Wholesaler/producer may, with the retailer's consent:

- Set up a display of his/her product.
- Move a competitor's product.
- Move non-alcoholic or other items to set up the display.



A.A.C. R19-1-228

(C)(4)

Resets, rotations; displays

4) No retail display may consist of an item of potential utilitarian value to the retailer or any person, facsimiles are acceptable.



A.A.C. R19-1-228

(D)(1)

Furnishing retail customers with items of value:

1) Wholesaler/producer may give novelties to customers of a retail establishment if:

- The novelties are not directly used in the operation of the retail business.
- Have a fair market value of \$5 or less and the total does not exceed \$100 during a 6 a.m. to 2 a.m. period, per establishment.
- Items are given to consumer by wholesale staff and do not pass through retail licensee's hands.
- No items are given to retail staff or left at establishment.



A.A.C. R19-1-228

(D)(2)

Furnishing retail customers with items of value:

2) Sports schedules that list events occurring the licensed establishment are permitted.



A.A.C. R19-1-228

(E)

Refrigerated vehicles:

A producer/wholesaler may:

- Provide refrigerated vehicles at an unlicensed location where a special event license has been issued (except political events).
- Not provide refrigerated vehicles where a special event license has not been issued.
- Use the vehicle for storage and dispensing
- Not use producer/wholesaler personnel to dispense.



A.A.C. R19-1-228

(F)

Print advertising:

A producer/wholesaler may:

- Furnish ad copy (slicks) of nominal value.



A.A.C. R19-1-228

(J)

Wine and drink menus:

A producer/wholesaler may:

- Furnish wine and drink menus if the menu has no utilitarian value beyond that of a wine and drink menu.
- And the wine and drink menu is made available to all of their retail accounts that use wine and drink menus.



A.A.C. R19-1-228

Example of an unlawful wine/drink menu when the iPad is paid for by the wholesaler/producer.



A.A.C. R19-1-228

(K)

Tapping equipment:

All items authorized by R19-1-230 are permitted.



A.A.C. R19-1-228

(L)

Driver sales:

All liquor may be sold without prior order from the retailer to the wholesaler, commonly called “driver sales”.



A.A.C. R19-1-228

(M)

Coupons and rebates may be distributed by any method including via point of sale EXCEPT a producer/wholesaler may not list specific retailers or participate in retailer's advertisement.



A.A.C. R19-1-228

(P)

Delivery to chain stores/co-ops:

Quantity purchases of volume (quantity discounts) must be entirely delivered to the approved storage facility of the chain store or co-op.



A.A.C. R19-1-228

(Q)

Malt beverage product returns, at the wholesaler's discretion, may:

- be exchanged, credited, or refunded if the retail store will be closed for 30-days or longer.
- With permission of the director, exchange, credit or refund products it is discontinuing.



A.A.C. R19-1-228

(R)(1)

Sampling conducted by producer/wholesaler:

- Must be supervised under an employee of the supervision of the sponsoring producer or wholesaler
- Accurate records of sampling procedures and products must be retained



A.A.C. R19-1-228

(R)(2)

Sampling conducted by producer/wholesaler:

- Conducted at on-sale location events or wholesaler's premises.
- Limited to 12 oz beer or “cooler” products, 6 oz wine, or 2 oz spirits per person per brand.



A.A.C. R19-1-228

(R)(3)

Sampling conducted by producer/wholesaler:

- Conducted at off-sale location events.
- Limited to 72 oz beer, “cooler” products, or wine, and 750 milliliters of spirits per person per brand.



A.A.C. R19-1-228

(R)(4)

Sampling conducted by producer/wholesaler:

- Conducted at on-sale location events and wholesaler premises.
- May serve from package with broken seal.
- No package may be broken or contents consumed at an off-sale premises.



A.A.C. R19-1-228

(R)(5)

Sampling conducted by producer/wholesaler:

- Conducted at on-sale location events.
- Wholesale representative, when requesting a retail, on-sale licensee to prepare a drink for the customer, must pay the retail, on-sale licensee for the sample drink.



A.A.C. R19-1-228

(R)(6)

Sampling conducted by producer/wholesaler:

- Conducted at off-sale location events.
- Products for sample must be distributed in sealed, original packages only.



A.A.C. R19-1-228

(R)(7)

Sampling conducted by producer/wholesaler:

- May not buy the retail licensee, or his or her employee, a drink during their working hours or while they are engaged in waiting on or serving customers.



A.A.C. R19-1-228

(R)(8)

Sampling conducted by producer/wholesaler:

- May not give a keg of beer, or any liquor, or other gifts, or benefits to a retail licensee.



A.A.C. R19-1-228

(R)(9)

Sampling conducted by producer/wholesaler:

- Must conform to federal sampling laws and rules.



A.A.C. R19-1-228

(U)

Holiday decorations:

A producer/wholesaler may:

- Give a retailer brand-identified, holiday decorations that have no utilitarian value to the retailer other than a holiday decoration



A.R.S. §4-203.02 Special Event

H) A wholesaler may donate spirituous liquor directly to an organization that is issued Special Event License.

- Net Zero cost billing invoice in name of event
- Can only donate to Nonprofit Organization

I) May temporarily leave delivery vehicle and other items of equipment necessary for the duration of the event and up to one business day before and after event



A.R.S. §4-203.02 Special Event

- J) Wholesalers may leave spirituous liquor product at the event if products are properly described on a preliminary billing invoice that is issued in the name of the off-sale retailer which also names the license holder.
 - Up to 5 days to make necessary billing adjustments and issue final invoice to the off-sale retailer which also names special event licensee



A.A.C. R19-1-230

**Tapping Equipment, Furnishing,
Selling and Servicing**



A.A.C. R19-1-230 (A) – (E)

(A)

- Beer wholesalers may furnish to on-sale retail licensee the following items of equipment
- In the case of either of the following:
 - an initial installation for a new account or
 - a change-over from one tapping system to another
- The equipment listed shall remain the property of the wholesaler

(equipment is listed on the following screen)



Approved equipment systems

Peerless

- a. Tap Rod
- b. Valve
- c. Beer Hose
- d. CO2 Hose
- e. Washers
- f. Couplings
- g. Clamps

Golden Gate

- a. CO2 Hose
- b. Beer Hose
- c. Couplings
- d. Vent
- e. Taps
- f. Valves
(Golden Gate)
- g. Clamps
- h. Washers

Jet Western

- a. Jet Tap
Assembly
- b. Draw Tube
- c. Beer Hose
- d. CO2 Hose
- e. Tail Pieces
- f. Shut-off
Valve
- g. Washers
- h. Clamps

Hoff-Sevens

- a. CO2 Hose
- b. Beer Hose
- c. Couplings
- d. Vent
- e. Clamps or
Wire
- f. Washers



A.A.C. R19-1-230 (A) – (E)

(B)

- Beer wholesalers may sell to on-sale retail licenses for cash only the following items of equipment at a price not less than the wholesaler paid.
 - CO2 gas
 - CO2 regulators
 - Facets
 - Shanks or bent tubes
 - Air distributors
 - Blower assembly
 - Beer switches
 - Complete faucet standard
 - Drip pan
 - PVC pipe
 - Any necessary item to prepare for proper operation as a draught system



A.A.C. R19-1-230 (A) – (E)

(C)

- A wholesaler may replace, at no charge to the retailer:
 - Bonnet washers
 - Friction rings
 - Valve stems
 - Coupling gaskets



A.A.C. R19-1-230 (A) – (E)

(D)

If one wholesaler is splitting an account with another wholesaler, the wholesaler initiating the split will supply, if necessary, the in-line regulator which will remain the wholesaler's property and removed when the account is discontinued.



A.A.C. R19-1-230 (A) – (E)

(E)

The wholesaler may maintain periodic cleaning schedules of on-sale retailer' draught equipment and may sell to the retailer – **for not less than cost** -- any sanitizing materials used to clean draught beer equipment.



A.A.C. R19-1-231

Foodstuffs

A producer/wholesaler may sell foodstuffs to a retailer – for not less than the producer/wholesaler's cost.

