



**State of Arizona**  
**Department of Liquor Licenses and Control**

**Industry Notice**

September 9, 2021

**Stocking and Resetting Equipment / Product Inventory Services**

The Department of Liquor Licenses and Control has received several inquiries regarding whether retailers may request, permit, or require wholesalers to perform services tracking the retailer's inventory or leave equipment used to stock or reset inventory on the retailer's premises. Arizona Revised Statutes § 4-243(A) and Arizona Administrative Code (A.A.C.) R-19-1-321 cover this practice.

The Department has been notified that some retail licensees are requiring wholesalers to conduct an inventory of products on the licensed premises that the wholesaler previously sold to the retailer. In some cases, retailers will decline to purchase a wholesaler's product until the wholesaler conducts the inventory. Additionally, the Department has been notified that some retailers are requiring wholesalers to leave their equipment used in stocking and resetting shelves on the licensed premise. These practices may constitute a violation of A.R.S. § 4-243 and A.A.C. R19-1-321.

Pursuant to A.R.S. § 4-243(A)(4), wholesalers may not directly or indirectly lend or give retailers supplies, services, equipment, or other things of value unless there is a specific exemption provided in the Department's statutes and rules. Department rule A.A.C. R19-1-321 lists several exemptions and incorporates exemptions found in 27 C.F.R. Chapter 1, Subchapter A. Pursuant to A.A.C. R1-19-321(C) and (D), wholesalers may provide limited stocking and resetting services. Wholesalers may not provide these services, however, if they are intended to induce the retailer to purchase spirituous liquor from the wholesaler to the exclusion of another wholesaler. Nothing in the rule permits conducting retail product inventory or leaving stocking and resetting equipment on the retailer's premises.

Pursuant to A.R.S. § 4-243(F), it is unlawful for a retailer to request or knowingly receive anything of value that a wholesaler is prohibited from furnishing to a retailer. The Department considers the provision of retail inventory services to be a "thing of value" and carts and pallet jacks used in stocking and resetting to be "equipment" under A.R.S. § 4-243(A)(4).

Wholesalers and retailers should work together to ensure that they are not coerced into or agree to violate A.R.S. § 4-243. The Department takes this commercial coercion and bribery violations seriously and will investigate and prosecute alleged violations.

If you have questions or to submit a complaint, please contact Risa Williams, Trade Practice Officer, at [risa.williams@azliquor.gov](mailto:risa.williams@azliquor.gov) or 602-542-9071.