



# Supplier-Retailer Relations Guidelines

*Important Information from the OLCC  
about Financial Assistance Laws*

# Notes

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# Supplier-Retailer Relations Guidelines

Oregon law prohibits a supplier from giving financial assistance to a retailer, and a retailer cannot accept financial assistance from a supplier. Supplier refers to manufacturers, wholesalers, distributors and distilleries.

A supplier may promote its products, but cannot promote a retailer's business or underwrite a retailer's business expenses.

This brochure provides guidelines for what suppliers may provide and the conditions under which they may provide them.

Law references for financial assistance are Oregon Revised Statutes (ORS) 471.398 and 471.400, and Oregon Administrative Rules (OAR) Division 13.

**PENALTY:** Providing or accepting financial assistance is a Category IV violation. Sanctions range from a 7-day suspension or civil penalty of \$1,155 for a first offense to license cancellation for a fifth offense. Both the retailer and supplier can be ticketed for financial assistance violations.

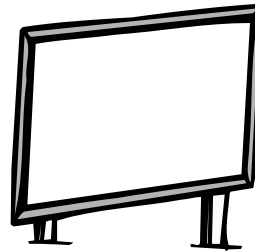
# Advertising

OAR 845-013-0040

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## Supplier may advertise their products away from a retailer's premises

- *Advertising must only refer to the supplier's product*
- *A specific retailer may not be mentioned*



# Distilled Spirits Sampling

OAR 845-005-0428

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## Sampling Tasting Events

**Full On-Premises Sales licensees may allow a distillery to participate in distilled spirits sample tasting events for the retailer's customers under the following conditions:**

- *Distillery products must be approved for sale in Oregon*
- *Event must be held on the retailer's permanently licensed premises*
- *Distillery must pay for person to serve the tasting (the person serving may not be an employee of the retail licensee)*
- *Server must have a valid Oregon Service Permit*
- *Distillery must not compensate the licensee in order to participate in the tasting event*
- *Except for serving the sample tastings, the distillery must not be involved with the sale or service of alcoholic beverages or any other service normally provided by the retailer on the licensed premises*



## Distilled Spirits Sampling, continued

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- *Distillery must not advertise the sample tasting*
- *Retailer may advertise sample tasting only inside the licensed premises*
- *Distillery must provide the sample tastings of approved distilled spirits and remove any remaining product at the end of the tastings*
- *Distillery and retailer must comply with ORS 471.398 and OAR 845 - Division 13*
- *Sample tastings must be held in an area prohibited to minors*
- *Samples are limited to two quarter ounce tastes, or one half ounce taste per customer, per day*
- *Eight sample tastings are allowed per year, per retail premises*
- *The retailer will be held responsible for related violations*
- *The retailer must keep a record of each tasting event it holds for one year from the date the tasting was held.*  
*Records must include:*
  - ▶ *Date and location of each event*
  - ▶ *Products served*
  - ▶ *Names of servers*



## Distilled Spirits Sampling, continued

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### Promotional Dinner Events (OAR 845-005-0428(8))

**These dinner events are events sponsored by the Full On-Premises retail licensee on the permanently licensed premises where meals are served and multiple servings/samples of distilled spirits accompany the meal.**

- *Retailer must meet OLCC food service standards*
- *Retailer must have purchased the distilled spirits from the OLCC*
- *Each retailer may sponsor no more than eight promotional dinner events per year on the premises*
- *Distillery may only provide education for products they represent*
- *Distillery must not pay for advertising*
- *Retailer may advertise the event*
- *The retailer must keep a record of each promotional dinner it holds for one year from the date of the dinner. Records must include:*
  - ▶ *Date and location of each event*
  - ▶ *Proof of purchase of each distilled spirit served at the event*
  - ▶ *Distilleries represented and names of participating distillery employees*



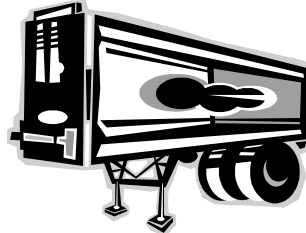
# Equipment

ORS 471.400

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**Supplier may provide equipment such as:**

- Picnic pumps
- Cold plates
- Tubs
- Refrigerated trailers
- Refrigerated draft systems



- *Equipment may be provided for a special event for no more than 10 days and a reasonable service/rental fee must be charged*

# Fixtures, Furniture & Furnishings

OAR 845-013-0030

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**Supplier may provide bins/racks valued at \$30 or less**

- *Only one bin/rack per trade name, per retailer at any given time*
- *Bin/rack is permanently marked with brand name or trade name of supplier*
- *Retailer only uses bin/rack for named product*



**Supplier may provide bins/racks valued at more than \$30 only if:**

- *Requirements for bins/racks valued at less than \$30 are met*
- *Supplier invoices the retailer upon delivery and issues credit at removal*
- *Bin/rack is loaned for 45 days or less*
- *At least 45 days elapses between removing one bin and delivering another for products of the same name*

# Items of Nominal Value

OAR 845-013-0060

Basic items that support supplier's products can be provided, such as:

## Tastings or samples of distilled spirits

- *Only if retailer does not carry the product, and only if 50 ml. or less*

## Tastings or samples of wine or malt beverages

- *Only if retailer doesn't already carry the brand*
- *Must not exceed 1 gallon of malt beverage*
- *Must not exceed 5 liters of wine*
- *Sample containers must be marked "SAMPLE-NOT FOR RESALE"*



## Distilled spirits, wine and malt beverage tastings for retailer educational seminars

- *Not open to the public*

## Tavern heads

- *One per calendar year*
- *Trade-in of tavern head at fair market value as partial payment when retailer replaces draft system*

## Washers and Thomas valves

- *Required for draft system*

## New and used empty shells/bags

- *For returning retailer's empty containers*

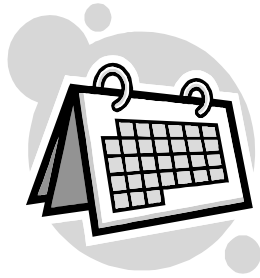




## Items of Nominal Value, continued

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Supplier can provide items made of inexpensive material that provide information to customers, such as:



Items for off-premises use, including sports/entertainment schedules, calendars and recipes

Schedules of events for display on licensed premises

Beer, wine and spirits lists which may include any alcohol sold at the premises and generic references to food

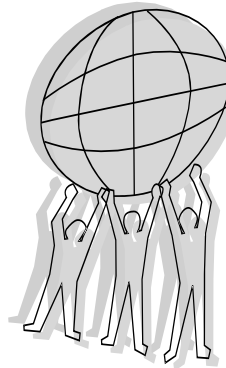
## Items and Services to Non-Profit Temporary Sales Licensees

OAR 845-013-0090

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The licensee must be a non-profit or charitable organization registered with the state, a political committee that has a current statement of organization filed under ORS 260.039 or 260.042, an agency of the state, or a local government, agency or department of a local government.

In addition to any allowed items, a supplier may give, sell or discount the following to a non-profit temporary sales licensee:



**Any product the supplier normally sells**

- *Supplier may pick up excess malt beverage product at the end of a qualifying special event*
- *Supplier may give credit or cash for returned product*

## Non-Profit TSL, continued

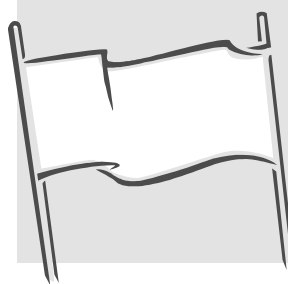
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### Services that support the beverage

- *Supplier may provide employees to sell or serve at the approved event*
- *Employee must have a valid service permit or have successfully completed an approved alcohol server education course within the last five years*

### Banners for interior/exterior display that advertise the special event - no size limitation

### Equipment (such as picnic pumps, cold plates, etc.) for the event without requiring a fee



## Money, Credit, Discounts

OAR 845-013-0020

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**Supplier may give credit or cash for malt beverages or wine that retailer returns with OLCC's prior written approval, in the following circumstances:**

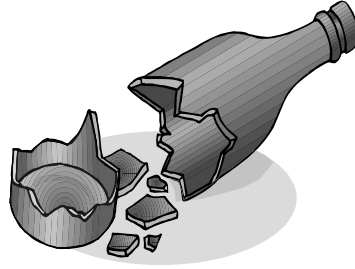
- *Retailer terminates the business*
- *Retailer temporarily stops operating due to natural disaster*
- *Retailer stops operation for more than 29 days*
- *After a Temporary Sales License event (except for Full On-Premises Sales licensees)*

## Money, Credit, Discounts, continued

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**Supplier may give credit for malt beverage or wine that is leaking, deteriorating, near/past shelf life, damaged container, delivered in error, has bad labels, when no saleable product is available for exchange**

- *Credit must be applied to the retailer's next purchase*
- *OLCC's prior written approval must be obtained (for more than one case)*
- *Credit is limited to retailer's original purchase price for product*



**Supplier may sell a retailer existing vintage-dated wine for future delivery by written contract prior to winery release**

- *Opportunity must be offered to all retail licensees at same general time*
- *Supplier keeps a copy of the contract*
- *Supplier keeps a record of how and to whom this opportunity was offered*



# Point of Sale Material

OAR 845-013-0050

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**Supplier may provide material that functions only to advertise the alcoholic beverage product for display at the retailer's premises**

- *Retailer may use material only for promotional display on licensed premises*

**Supplier may provide material that has a function beyond advertising the alcoholic beverage product, only for display at the retailer's premises, if:**

- *Cost of any display does not exceed \$30*
- *Supplier loans the material for not more than 45 days*
- *Supplier loans material for not more than four displays per year*
- *Supplier invoices material on delivery, describes how it will be used and issues a credit upon removal*
- *No minimum purchase is required to obtain the material*



**Supplier may provide exterior point of sale material**

- *Only for supplier's alcoholic beverage product*
- *Must not exceed 630 square inches*

# Schematics

OAR 845-013-0075

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**Supplier may use schematics only to promote their products to a retailer**

# Services of Nominal Value

OAR 845-013-0070

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**Supplier may provide basic services that support products on draft, such as:**

- Inspecting equipment for sanitation and quality control**
- Performing emergency repairs on draft equipment**
- Instructing retailers how to care for draft and cooling systems**
- Tapping kegs during regular delivery calls**

**Supplier may provide marketing support service, such as:**

**Delivering to a designated place on the retailer's premises**

- *Only for supplier's alcoholic beverage products*

**Moving product to a nearby store (for chains)**

- *Only when a store closes, and only for supplier's alcoholic beverage products*

**Rearranging/replenishing product**

- *Only supplier's own product*

**Pricing own brands**

- *Not repricing*

**Exchanging product delivered in error**

- *Both supplier and retailer must keep a record of transaction*
- *Exchanging product that is leaking, deteriorating, near/past shelf date, has damaged or missing labels, or damaged containers*
- *Product must not have been damaged by the retailer or the retailer's customer*



## Services of Nominal Value, continued

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### Supplier may install, clean and repair point of sale material

Supplier (including wholesale malt beverage and wine licensees holding certificates of approval) may provide an employee to assist in retailer-conducted tastings. Manufacturer-conducted tastings are allowed on a retail premises. See Beer and Wine Tastings Guidelines on pages 14-15.

- *Employee is allowed to pour if they have a service permit*



## Substantial Gratuities

OAR 845-013-0010

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### Supplier may provide food and beverages to a retailer for immediate consumption at:

- *Business meetings*
- *Conventions, where it is offered to all participants*
- *Sports/entertainment events when supplier attends with the retailer*

### Supplier may provide items at a convention

- *Items must be available to all convention participants*

### Supplier may provide tickets and admission fees (includes green, court and lane fees)

- *Only if supplier accompanies retailer to the sports or entertainment event and does not pay associated costs (e.g. travel expenses)*



## Substantial Gratuities, continued

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### Supplier may provide campaigns for responsible use

- *Only promoting responsible use and containing no reference to retailer*
- *May provide inexpensive items such as buttons and posters*
- *May provide a person/celebrity as part of the campaign at a licensed premises, as long as:*
  - ▶ *The event is not advertised*
  - ▶ *There is only a brief performance, if any*
  - ▶ *The supplier does not provide alcohol to any customers*
  - ▶ *The supplier provides only one promotion per year, per retailer*



### Supplier may provide gifts to acknowledge a grand opening, birthday, anniversary, etc.

- *Gifts may not exceed \$30 fair market value in a calendar year*
- *Gifts may not include cash*



# Beer & Wine Tastings Guidelines

## At Retail Licensed Businesses

(OAR 845-005-0427 & 845-006-0450)

**M (for Manufacturers)** = Winery, Brewery, Brewery Public House, Grower Sales Privilege, & Warehouse licensees, and Certificate of Approval holders (which includes some, but not all, Oregon wholesalers)

### Manufacturer-conducted tastings:

- **License:** M do not need a special or temporary license to conduct a tasting on a retail-licensed premises.
- **Alcohol:** M must provide the samples and must remove any left over alcohol at the end of the tasting.
- **Size of samples:** No more than 1.5 ounces for wine and 3 ounces for beer.
- **Servers:** Must have service permits. M must provide or pay for the servers who must be the M's employees or agents. M may not pay or compensate any employee or agent of the retailer to participate in the tasting.
- **Length:** May not exceed 2 consecutive days.
- **Number:** No more than 8 times per calendar year at each retail premises, including both M-conducted tastings and retail-conducted tastings at which the M assists (see below).
- **Frequency:** Tastings must be at least 4 weeks apart.
- **Advertising:** M may not advertise the tasting. Retailers may advertise the tasting only inside the business.
- **Records:** M must keep records of each tasting they conduct, including the date, location, products served, and names of servers.



## Beer & Wine Tastings Guidelines, continued

**Retailer-conducted tastings:** M (including wholesalers) may be involved in a retailer-conducted tasting only under the following conditions:

- **Alcohol:** The retailer must provide or pay for the alcohol.
- **Servers:** Servers must have service permits.
- **Assistance:** M may provide an employee to assist at the tasting which may include pouring tastings if the employee has a service permit.
- **Number:** Retailers may conduct their own tastings as often as they want, but a M may be in each retail premises no more than 8 times per calendar year for tastings, including both M-conducted tastings and retail-conducted tastings at which the M assists.
- **Advertising:** Retailers may advertise their own tastings.

Manufacturers and wholesalers may give retailers alcohol for retailers and their employees to sample under the following conditions:

- Only of products the retailer does not carry
- Only of the kind of alcohol the retailer's license permits the retailer to sell
- Distilled spirits samples: no more than 50 ml.
- Malt beverage samples: no more than 1 gallon; must be clearly and permanently marked "**Sample – not for resale**"
- Wine samples: no more than 5 liters; must be clearly and permanently marked "**Sample – not for resale**"

# Coupon Guidelines

## For Coupons Associated with Wine, Malt Beverages and Cider

For the purpose of ORS 845-007-0015, coupons are any material that a person may use to obtain a price reduction or rebate offered by an alcohol wholesaler/manufacturer *for a non-alcohol product*.

### **The following coupon/rebates are ALLOWED:**

Cross-promotionals which are for branded food, non-alcoholic beverage and/or non-food products (examples: *Lay's potato chips, Coca-Cola, Kingsford charcoal briquettes*), these products must be branded and the brand must not be owned by a retailer;

Instantly redeemable coupons and mail-in rebates for cross-promotional products (see examples of products referenced above);

Cross-promotional coupons bearing the name or logo of an alcohol product or manufacturer;

The use of "club cards" for alcohol discounts from off-premises sales licensees as long as the off-premises sales licensee pays for those discounts and the cards are available without discrimination to all of the licensee's customers.

### **The following coupons/rebates are PROHIBITED:**

Coupons/rebates for wine, malt beverage, cider;

Coupons for generic products;

Coupons/rebates for products **manufactured or branded** by a retailer (examples: private label items like *Safeway Select, Albertsons Preferred, Fred Meyer President's Choice*);

Coupons/rebates for products **prepared** by a retailer. This category includes any products for which a coupon/rebate would supplement a retailer's labor cost. Examples are deli trays, in-house bakery products, carved meats, ready-to-eat foods and floral arrangements prepared by store employees;

Any coupon/rebate which requires the purchase of wine, malt beverage or cider in order to receive the coupon's/rebate's benefit.

## **Additional Prohibitions**

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No supplier may buy food, beverages or anything of value on a retailer's premises for customers who are not his/her personal acquaintances (ORS 845-013-0110).

A supplier may provide distilled spirits to retailers for tastings, only as allowed in ORS 845-005-0428.

No promotional activities for alcohol may be conducted on any college or university campus (ORS 845-006-0349).

Rebate coupons for distilled spirits are prohibited except for purchases at liquor stores (OAR 845-015-0165, 0175 and 0177).

Discount coupons for malt beverages, wine and cider are prohibited (OAR 845-007-0015). For information on cross-promotional coupons see Coupon Guidelines on page 16.

## **For More Information**

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If you have questions regarding any of the information in this brochure, please contact Lynne Johnson, OLCC's Wholesale and Manufacturing Specialist, 503-872-5188.