

## Chapter 12 Tied House, Gifts, Gratuities, and Inducements

### 100 Definitions

101 “Advertising specialties” are items that are designed to be carried away by consumers, such as bottle or can openers, cork screws, shopping bags, matches, printed recipes, pamphlets, leaflets, pens, shirts, caps and visors. The Holder may not directly or indirectly pay or credit the retailer for using or distributing these materials or for any expense incidental to their use.

102 “Holder” refers to holders of manufacturer's or wholesaler's permits, or anyone connected with the business of such holder, or any other distiller, rectifier, blender or bottler of alcoholic beverages.

103 “Loyalty cards, discount cards, or membership cards” means a card that is issued by a retail permittee to customers that, upon presentation to the retail permittee, provides for the purchaser to receive a loyalty card, discount card, membership card, or coupon discount on a portion of the amount paid by the purchaser for purchases of alcoholic beverages at the time of sale.

104 “Nominal Value” shall be based on a per brand basis and shall mean the industry's purchase price or a reasonable wholesale value not to exceed the dollar limitations placed on said or like items pursuant to the Federal Tied House Regulations and adjustments made by the Director of the Alcohol and Tobacco Tax and Trade Bureau.

105 “Point of sale advertising materials” are items designed to be used within a retail establishment to attract consumer attention to the product of the Holder. Such items include, but are not limited to: posters, placards, designs, inside signs (electric, mechanical or otherwise), window decorations, trays, coasters, mats, menu cards, paper napkins, foam scrapers, back bar mats, thermometers, clocks, calendars and alcoholic beverage lists or menus. The Holder may not directly or indirectly pay or credit the retailer for using or distributing these materials or for any expense incidental to their use.

106 “Product displays” means any wine racks, bins, barrels, casks, shelving, or similar items the primary function of which is to hold and display consumer products.

107 (Reserved)

200 Pursuant to Miss. Code Ann. Section 67-1-77(2), no Holder shall make an offer of gifts, gratuities, or inducements of any kind whatsoever to any alcoholic beverage retailer in Mississippi when such gifts or gratuities are in any way connected with or associated with any phase of the purchase, sale, marketing, distribution or control of alcoholic beverages within the State of Mississippi, except as provided below. A Holder may give or sell product displays to alcoholic beverage retailers so long as the total value of all such displays to the retailer does not exceed \$300 per brand at any one time in any one retail

establishment. The value of the product display is the actual cost to the Holder who initially purchased it. Transportation and installation costs are excluded.

- 201 A Holder may furnish the following to an alcoholic beverage retailer: inside signs, educational seminars, product displays, point of sale advertising materials, and advertising specialties, so long as the value of such items do not to exceed the applicable Nominal Value.
- 202 A Holder may furnish equipment and/or supplies to an alcoholic beverage retailer so long as such equipment or supplies are sold at a price not less than the cost to the Holder who initially purchased them, and if the price is collected within 30 days of the date of sale.
- 203 Educational seminars, trade shows or tasting events for licensed retailers sponsored by any employee or registered agent of any Holder, are permissible at licensed on-premise establishments, establishments holding any temporary permit, or at conventions sponsored by and on behalf of alcoholic beverage retailer associations. All alcoholic beverages consumed at such seminars, trade shows, or tastings, other than approved conventions, must be furnished exclusively by the on-premise permittee on his licensed premises. A Holder's representatives may transport and provide alcoholic beverages for tasting and exhibition at any convention sponsored by an alcoholic retailer association convention as long as the alcoholic beverages were previously purchased from a licensed retailer in this state. Offers of samples of new products that are not available through a licensed retailer must follow the procedures for samples found in Title 35, Part II, Subpart 2, Chapter 13 of the Mississippi Administrative Code. Consumption of alcoholic beverages at all seminars, trade shows and tasting events is limited to the hours of consumption set forth in Title 35, Part II, Subpart 2, Chapter 4 of the Mississippi Administrative Code.
- 204 Any educational seminar, trade show or tasting event given for the general public (where alcoholic beverages are sampled), regardless of who sponsors the program, is limited to licensed on-premise establishments, or an establishment holding a temporary permit, with the permittee exclusively furnishing the alcoholic beverages.
- 205 Any person sponsoring an alcoholic beverage seminar or trade show occurring at a location in a wet county not possessing any on premise alcoholic beverage permit or a temporary permit shall not distribute alcoholic beverages for tasting purposes or any other purpose.
- 206 The preceding paragraphs do not authorize a manufacturer, distiller, or wholesaler to pay an alcoholic beverage retailer's travel and/or lodging expenses in conjunction with an educational seminar.
- 207 Except as stated in these regulations, alcoholic beverage samples, coupons, rebates or other inducements, which require proof of purchase, to anyone, are strictly prohibited.
- 208 A Holder or its promotional representative may furnish to off-premises retailers rebates or coupons that are redeemable either via mail or on-line by the Holder. A retailer may not redeem such rebates. The mail-in or on-line rebate must be accompanied by a proof of

purchase. The permittee may not accept any rebate or coupon at the point of sale as full or partial payment for any product offered for sale.

- 209 A permittee owning an establishment selling alcoholic beverages for off-premises consumptions may use loyalty cards, discount cards or memberships cards in conjunction with its retail establishment.
- 210 Permittees may advertise discounts and coupons with the requirement of the use of the permittee's loyalty card, discount card or membership card in the following circumstances:
1. The permittee shall require customers to present a loyalty card, discount card or membership card to receive the advertised loyalty card, discount card or membership card discount when purchasing an alcoholic beverage or approved product sold at the permittee's retail location for off-premises consumption;
  2. No loyalty card, discount card or membership card shall be honored for the purchase of alcohol for any individual below the legal age for purchase of alcohol;
  3. A loyalty card, discount card or membership card shall not provide a discount exceeding 25 percent of the advertised retail price of the item; and
  4. Direct or indirect cooperation shall not occur between a retailer and a holder or holder's representative in either marketing, redemption or funding of coupons, rebates or loyalty card, discount card or membership card discounts.
- 211 Nothing in this regulation is intended to prohibit the type of activity permitted by Title 35, Part II, Subpart 2, Chapter 13 (Samples of Alcoholic Beverages); and Subpart 4, Chapter 9 (Dual Packaging) of the Mississippi Administrative Code.
- 212 (Reserved)

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