

# Michigan Salesperson License Accreditation Program

# Aid and Assistance

- ▶ The “Aid and Assistance” law limits what brand logoed items a wholesaler or supplier may provide to retailers and what retailers may possess.
  - A wholesaler or supplier cannot provide “Any Valuable Thing” to a retailer – no giving, selling, leasing or loaning any goods, services or intangible goods
  - There are limited exceptions to this rule, which include the following list.
  - If it is NOT on the list, a wholesaler or supplier cannot provide it to a retailer.

# Aid and Assistance

- ▶ Exceptions that wholesalers and suppliers may provide to retailers:
  - Price brand advertising, including special events (banners, signs etc)
  - Alcohol liquor recipe literature
  - Calendars and matchbooks
  - Removable tap markers
  - Table tents
  - Shelf talkers
  - Bottle neckers
  - Cooler Stickers
  - Buttons, blinking and nonblinking
  - Menu clip-ons

# Aid and Assistance

## ► Exceptions Continued:

- Mirrors
- Napkin holders (not napkins)
- Spirits cold shot tap machines
- Alcoholic liquor drink menus
- Dispensing/cooling equipment for special licensees
- Temporary bin displays (off premise)
- Mark prices on your product (off premise)
- Rotate your brands (off premise)
- Place your product on shelves (off premise)
- Trade spending
- Sports and Entertainment Tickets

# Aid and Assistance

## ► Exceptions Continued:

- Samples
- Coil cleaning service (limited)
- Sale of carbon dioxide (limited)
- Product returns/refunds
- Supplier assistance for painting trucks
- Supplier may use name of distributor in advertising
- Brand logoed merchandise for display purposes only with a value that does not exceed \$200.00
- On Premise Brand Promotions
- Keg Couplers
- Cooler door attachments
- Tear pad holders
- Suction cups
- VAP to off premise only

# Aid and Assistance

- ▶ Retailers are prohibited from possessing and using brand logoed items (items of secondary use and value) except for barware, which includes:
  - Trays
  - Coasters
  - Napkins
  - Shirts
  - Hats
  - Pitchers
  - Drinkware that is intended to be reused

# Aid and Assistance

- ▶ Barware continued:
  - Bar mats
  - Buckets
  - Bottle openers
  - Stir rods
  - Patio umbrellas
  - Packaging used to hold and deliver alcoholic liquor purchased by the retailer
  - Illuminated signs
  - Items added by the commission
    - Must be by rule; one item per rule; no concurrent rules

# Aid and Assistance

- ▶ Retailer must purchase barware from independent third party (barware retailer)
- ▶ Distributors and suppliers cannot provide barware
  - Exception for Spirits
- ▶ Retailer must keep receipts for three years and notify commission on annual renewal

# Advertising/Promotion

- ▶ Cooperative Advertising is Prohibited
  - Suppliers, wholesalers, and retailers cannot engage in joint efforts to advertise alcoholic beverages
- ▶ Interior Signs
  - Size limit (3,500 square inches)
    - Liberally construed (if advertising it is a sign)
    - Multiple signs for one message = one sign
    - Exception for entertainment/sports arena
  - Only your brands and prices, including special events – CANNOT mention retailer in advertising
  - No money or consideration may be given to a retailer for advertising on the retailer's premises

# Advertising/Promotion

## ▶ Exterior Signs

- Painted Outside Signs Prohibited
- Your brands and prices, including special events–  
CANNOT mention retailer
- No size limitation
- Can welcome a category of customers.

# Advertising/Promotion

## ▶ Trade Spending

- Beer – one drink per customer up to \$100 total per establishment per day.
- Wine – one drink per customer per establishment per day.
- You must maintain accurate records of expenditures for each call on an establishment. The records must be maintained for 4 years and must be made available for commission inspection.

# Advertising/Promotion

- ▶ Brand Logoed Displays
  - Must be used for temporary display purposes only
  - Value must not exceed \$200
  - Suppliers must retain ownership
  - Items must NOT be given to a retailer or raffled off to a customer.
  - Wholesalers may deliver and install

# Advertising/Promotion

- ▶ On Premises Brand Promotion
  - Must give Commission 5 business days notice
  - No advertising of the event off the premises, except through social media
  - May provide \$100 worth of brand logoed merchandise to individuals 21 and over
  - Limited to 3 per licensee per month
  - May provide brand logoed apparel to staff of the retailer, but only during the event

# Cash Law

- ▶ Applies to Alcoholic Products
- ▶ Retailer Cannot Use Credit Cards
- ▶ Electronic Fund Transfers (EFT) – EFT is permitted, but must be initiated by the receiver of funds and completed within one banking business day
- ▶ Upfront Payments

# Dispensing Equipment

- ▶ Wholesalers and suppliers are prohibited from providing or installing drafts systems to retailers, including any components.
- ▶ Special licensees are the only exception to this prohibition.

# Price Schedules

- ▶ Beer (sales to retailers)
  - Price must be posted with the Commission. Any price reduction must be held for 90 days.
  - The price may only be increased to reflect a tax increase or to meet a general industry price increase.
  - The price may only be decreased to match competition and continue for the balance of the 90 days.
- ▶ Wine/Cider (sales to retailers)
  - Must be posted with the Commission quarterly.
  - Price changes must be maintained for 14 days.

# Product Returns/Refunds

- ▶ Beer and wine may be picked up from a retailer and replaced or refunded for the following reasons:
  - Outdated
  - Defective
  - Delivery error
  - No longer lawfully sold
  - Termination of the retailer's business
  - Formula, label, or container changed
  - Discontinued
  - Seasonal retailer closing
  - If beer is within 30 days of its out of date code (refund only).

# Quantity Discounts

- ▶ Prohibited for Beer and Wine
  - Manufacturers and wholesalers are prohibited from selling at a quantity discount.