

1 TITLE 11: ALCOHOL, HORSE RACING, LOTTERY, AND VIDEO GAMING

2 SUBTITLE A: ALCOHOL

3 CHAPTER I: ILLINOIS LIQUOR CONTROL COMMISSION

4
5 PART 100

6 THE ILLINOIS LIQUOR CONTROL COMMISSION

7

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- 64 100.500 "Of Value" Provisions – General Applicability

65
66 AUTHORITY: Implementing and authorized by Section 3-12(a)(2) of the Liquor Control Act
67 [235 ILCS 5].

68
69 SOURCE: Rules and Regulations of the Illinois Liquor Commission, amended March 31, 1977;
70 amended July 7, 1977; amended at 3 Ill. Reg. 12, p. 65, effective March 22, 1979; codified at 5
71 Ill. Reg. 10706; amended at 8 Ill. Reg. 6041, effective April 19, 1984; amended at 12 Ill. Reg.
72 19387, effective November 7, 1988; amended at 18 Ill. Reg. 4811, effective March 9, 1994;
73 amended at 20 Ill. Reg. 834, effective January 2, 1996; expedited correction at 20 Ill. Reg. 4469,
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75 Ill. Reg. 3787, effective March 15, 1999; emergency amendment at 23 Ill. Reg. 8687, effective
76 July 13, 1999, for a maximum of 150 days; amended at 23 Ill. Reg. 13609, effective October 28,
77 1999; amended at 25 Ill. Reg. 13596, effective October 15, 2001; amended at 26 Ill. Reg. 17966,
78 effective December 9, 2002; amended at 27 Ill. Reg. 17386, effective November 10, 2003;
79 amended at 39 Ill. Reg. 4433, effective March 12, 2015; amended at 39 Ill. Reg. 10386, effective
80 July 10, 2015; amended at 42 Ill. Reg. 22577, effective November 29, 2018; amended at 44 Ill.
81 Reg. 16811, effective September 29, 2020; amended at 46 Ill. Reg. _____, effective
82 _____.

83
84 **Section 100.500 "Of Value" Provisions – General Applicability**
85

- 86 a) Except as allowed by the Act, it shall be unlawful for any licensed manufacturer,
 87 non-resident dealer, distributor, importing distributor, foreign importer, any of
 88 their officers, managers, partners, owners, employees, agents, or affiliates, or any
 89 member of the family of such manufacturer, non-resident dealer, distributor,
 90 importing distributor, or foreign importer (collectively referred to as an "industry
 91 member") to furnish, give or lend money or anything of value, or otherwise loan
 92 extend credit (other than merchandising credit in the ordinary course of business
 93 for a period not to exceed 30 days, as permitted by Section 6-5 of the Act, and
 94 Section 100.90 of this Part), directly or indirectly to a licensed retailer or any
 95 officer, associate, member, representative, agent or employee of that licensee
 96 ("retailer"). It is likewise unlawful for any retailer, as defined in this subsection,
 97 to accept or receive money or any item of value from an industry member. A
 98 retailer does not include a special event retailer as defined in Section 1-3.17.1 of
 99 the Act.
- 100
- 101 b) Third-Party Arrangements. The furnishing, giving, renting, lending or selling of
 102 equipment, fixtures, signs, supplies, money, services or other thing of value, not
 103 specifically allowed by this Section, by an industry member to a third party, when
 104 the benefits resulting from the things of value flow to a retailer, is an indirect
 105 furnishing of a thing of value within the meaning of Sections 6-5 and 6-6 of the
 106 Act. Indirect furnishing of a thing of value includes, but is not limited to, making
 107 payments for advertising to a retailer association or a display company when the
 108 resulting benefits flow to an individual retailer. An indirect furnishing of a thing
 109 of value does not arise when the industry member did not intend that the thing of
 110 value would be furnished to a retailer by a third party, or the industry member did
 111 not reasonably foresee that the thing of value would have been furnished to the
 112 retailer.
- 113
- 114 c) Violations of the "Of Value" Provisions of Sections 6-5 and 6-6. Performance of
 115 the following activities or provision of the following items violates the provisions
 116 on giving anything "of value" under Sections 6-5 and 6-6 of the Act:
- 117
- 118 1) Shelf Space Payments, Display Service and Slotting Fees Prohibition. An
 119 industry member shall not directly or indirectly offer or give anything "of
 120 value" to a retailer, and a retailer shall not directly or indirectly request or
 121 accept anything "of value" from an industry member, in exchange for
 122 offering for sale or displaying an industry member's product on a retailer's
 123 shelf, on a tap handle, at any other desired location within the retail
 124 establishment, or on a retailer's website.
- 125
- 126 2) Credit to Retailers. An industry member shall not provide credit to
 127 retailers unless permitted by Section 6-5 of the Act as implemented by

128 Section 100.90 of this Part. The statute provides the following parameters
129 for extending credit to retailers:

130
131 A) No credit extensions are allowed on the purchase of beer by
132 retailers. The full invoice cost of beer must be paid in cash as
133 defined in Section 100.90(j) by the retailer on or before the
134 delivery date.

135
136 B) An industry member selling wine or spirits to a retailer may extend
137 a merchandising credit in the ordinary course of business not to
138 exceed 30 days.

139
140 3) Security Interest. An industry member's acquisition of a mortgage on any
141 of the real or personal property a retailer uses in its alcoholic beverage
142 business is a prohibited interest in the retailer's property, except to the
143 extent a lien or other security interest is acquired only in the industry
144 member's products sold to the retailer in order to secure payment of goods
145 sold on credit, if that credit is permissible under Section 6-5 of the Act.

146
147 4) Guaranteeing Loans. An industry member is prohibited from guaranteeing
148 any loan or repayment of any financial obligation owed by a retailer, and a
149 retailer is prohibited from guaranteeing any loan or repayment of any
150 financial obligation owed by an industry member.

151
152 5) Industry Member Advertising. An industry member shall not give, and a
153 retailer shall not accept, anything of value in exchange for any advertising
154 service, including but not limited to:

155
156 A) Display space advertising or placement of ads in a retailer's
157 publications, including a retailer's website; or

158
159 B) Payments to a third party for advertisements in which the primary
160 purpose of the advertisement promotes a retailer's business or
161 aspects of the retailer's business.

162
163 d) Exceptions to the "Of Value" Provisions of Sections 6-5 and 6-6 of the Act.
164 Having due regard for public health, established trade customs not contrary to the
165 public interest, the purposes of the Act, and the items or activities permissible
166 under the "of value" provisions of Sections 6-5 and 6-6, performance of the
167 following activities or provision of the following items is permissible under
168 Sections 6-5 and 6-6, as long as the performance or provision is not conditioned
169 upon an activity or arrangement intended to create a "tied-house" as defined in 27
170 USC 305(b).

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- 1) All licensees shall maintain records on the licensed premises, subject to a Section 100.130(e) waiver, for all items furnished to retailers, or received by retailers, under Sections 6-5 and 6-6 and this Section 100.500 for a period of three years. Commercial records or invoices may be used to satisfy this recordkeeping requirement, provided that all required information listed in this subsection (d)(1) is contained in these commercial records or invoices. These records must include:
 - A) The name and address of the retailer receiving the item;
 - B) The date furnished;
 - C) The item furnished;
 - D) The cost of the furnished item to the industry member, determined by the invoice price paid by the industry member; and
 - E) Charges to the retailer for any item.

- 2) Signage. An industry member may provide signage to a retailer, and a retailer may accept signage from an industry member, so long as the signage, in the aggregate, does not exceed the number of signs allowed or the cost adjustment factor dollar limitations under Section 6-6.

- 3) Product Displays. An industry member shall not directly or indirectly offer or give anything "of value" to a retailer, and a retailer shall not directly or indirectly request or accept anything "of value" from an industry member, in exchange for setting up product or other displays, or renting displays, shelf, cold box, storage or warehouse space at a retail establishment (i.e., slotting fee or allowance), except as specifically permitted by Section 6-6.3. The act by an industry member of giving or selling product displays to a retailer is permissible if the total value of the product display does not exceed \$300 per brand at any time per retail location. The value of a product display is the actual cost to the industry member that initially purchased the product display or, if the industry member did not purchase the product display, the fair market value of the product display. Transportation and installation costs are not included in the \$300 value.
 - A) A product display means any racks, bins, barrels, casks, coolers (having a fair market value of no more than \$175, with no exterior plumbing or electrical hookup), buckets, glass or transparent

214 display cases, shelving or similar items whose primary function is
215 to hold and display alcoholic liquors at point-of-sale, at or on a
216 retail licensed premises. Product displays may also include
217 "display enhancers" that are exclusive of trade fixtures and
218 equipment and include only items that convey the product display
219 sales programming message to consumers. All product displays,
220 including display enhancers, must cumulatively fall within the
221 dollar limitation of product displays.

222
223 B) All product displays must bear conspicuous and substantial
224 advertising matter on the product of the industry member that is
225 permanently inscribed or securely affixed. The name and address
226 of the retailer may appear on the product display.

227
228 C) Industry members may not pool or combine dollar limitations to
229 provide a retailer with a product display in excess of \$300 per
230 brand.

231
232 D) The giving or selling of product displays may be conditioned upon
233 the purchase of alcoholic liquor advertised on those displays in a
234 quantity necessary for the initial completion of the display. No
235 other condition can be imposed by the industry member on the
236 retailer in order for the retailer to obtain the product display.

237
238 4) Equipment, Fixtures, Furniture and Supplies. Except as provided under
239 the Act, an industry member cannot give, lend, lease, furnish or sell
240 furniture, equipment or fixtures to a retailer. An industry member may sell
241 equipment and supplies to retailers if the equipment or supplies are sold to
242 the retailer for a price that is not less than the cost of the equipment or
243 supplies. For purposes of this Section, the cost of equipment or supplies is
244 the amount that the industry member paid for the equipment or supplies if
245 the industry member did not acquire them from another industry member.
246 If the industry member selling equipment or supplies to a retailer acquired
247 the equipment or supplies from another industry member (initial selling
248 industry member), the cost of the equipment or supplies is the amount that
249 the initial selling industry member paid for them. In either case, if the
250 equipment or supplies were manufactured or produced by an industry
251 member, the cost of the equipment or supplies is deemed to be the fair
252 market price of the equipment or supplies. The sale price must be
253 collected from the retailer by the industry member within 30 days after the
254 date of the sale. Equipment and supplies includes items such as glassware
255 (or similar containers made of other material), dispensing accessories,
256 carbon dioxide (and other gasses used in dispensing equipment), coasters,

257 trays, napkins, cups and buckets. Dispensing accessories include items
258 such as standards, faucets, cold plates, rods, vents, taps, tap standards,
259 hoses, washers, couplings, gas gauges, vent tongues, shanks, check valves,
260 and counter-top branded shot machines.

261
262 5) Quantity Discounting. Quantity discounting is permissible only if an
263 industry member offers the same quantity price discount to all similarly
264 situated retailers in the same geographic area who agree to purchase the
265 required predetermined quantity of alcoholic liquor of the same brand. A
266 "quantity discount" is when an industry member offers a retailer a
267 discount at the time of sale based upon an agreement by which the retailer
268 will purchase a predetermined number of products in return for receiving a
269 discount on the same goods purchased. However, the following activities
270 are prohibited:

271
272 A) An industry member may not require a retailer to take and dispose
273 of any quota of alcoholic liquors. Bona fide quantity discounts
274 shall not be deemed to be quota sales.

275
276 B) An industry member may not require a retailer to purchase one
277 product in order to purchase another. This includes combination
278 sales if one or more products may be purchased only in
279 combination with other products and not individually. However,
280 an industry member is not prohibited from selling, at a special
281 combination price, two or more kinds or brands of products to a
282 retailer provided:

283
284 i) The retailer has the option of purchasing either product at
285 the usual price; and

286
287 ii) The retailer is not required to purchase any product it does
288 not want.

289
290 C) The furnishing of free warehousing by delaying delivery of
291 alcoholic liquors beyond the time that payment for the product is
292 received, or if a retailer is purchasing on credit as permitted by
293 Section 6-5 of the Act, as implemented by Section 100.90 of this
294 Part, delaying final delivery of product beyond the close of the 30-
295 day credit period, is the furnishing of an "of value" service in
296 violation of Section 6-5.

297
298 D) Subsections (d)(5)(A) through (C) notwithstanding, this Section
299 does not prohibit legitimate sales programming among or between

300 the industry tiers in which the primary purpose of the programming
301 is to increase product sales and merchandising to retailers and is
302 not a subterfuge to provide prohibited "of value" inducements to a
303 retailer. These legitimate sales programs are lawful if:

- 304
- 305 i) Sales incentives are temporary and designed and
306 implemented to produce product volume growth with
307 retailers;
- 308
- 309 ii) The sales incentives to retailers are based on volume and
310 discounted pricing, including discounts in the form of cash,
311 credits, rebates, alcoholic liquor products, and product
312 displays;
- 313
- 314 iii) The sales incentives are documented on related sales or
315 credit memoranda; and
- 316
- 317 iv) The sales incentives are offered to all similarly situated
318 retailers.

319

320 E) The use of product credits and rebates, such as "end of month",
321 "end of year", "end of period", or other such temporary cumulative
322 discounts, credits and rebates from an industry member to a retailer
323 is an adjustment of the purchase price based on volume purchasing
324 and, as such, is not a violation of Section 6-5 of the Act. These
325 cumulative discounts are considered to be a form of pricing
326 arrangement; provided they are made pursuant to a written
327 agreement, entered into at the time of sale; extend for a specific
328 period of time; are calculated based solely upon the purchases
329 made by the retailer receiving the cumulative discount; and are
330 documented on related sales and credit memoranda. If the retailer
331 is part of a group of retailers with common ownership, however,
332 cumulative discounts, credits or rebates may be provided in one
333 aggregate payment for all retailers within the common ownership
334 structure. In this case, the cumulative discount, credit or rebate
335 must be calculated based upon the volume purchases of each
336 individual retailer, with supporting documentation that denotes the
337 portion of the discount, credit or rebate attributable to each
338 individual retailer.

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340 F) "No Charge" Products. Price-to-retailer sales incentives that
341 include volume-based discounts on the purchase price, and/or "no
342 charge" products that represent an additional overall discount on

343 the related alcoholic liquor product purchased, is an adjustment of
 344 the purchase price based on volume purchasing if made at the time
 345 of sale, and if the amount of the product given at no charge with
 346 the order is not so great as to constitute a subterfuge in which the
 347 pricing aspect is merely a means to provide a retailer with a "gift"
 348 or "free" product. These transactions are not a violation of Section
 349 6-5 or 6-6 of the Act. However, "penny deals" and other such
 350 transactions in which the "no charge" or deeply discounted
 351 products (i.e., \$.01 per case) are not related to a corresponding
 352 volume purchase are considered free product and a violation of
 353 Section 6-5 or 6-6. Deals regarding product closeouts and other
 354 such deep discounting, non-ordinary business transactions are not
 355 prohibited under this subsection (d)(5)(F). "No charge" goods
 356 must be listed and indicated as such on the invoice to the retailer.
 357 The importing distributor or distributor must have records to
 358 support the volume-based discount and the purchase price. The
 359 provisions of Section 100.280 prohibiting a licensee from giving
 360 away alcoholic liquor for commercial purposes is applicable.

361
 362 6) Samples. If a retailer has not purchased a brand of alcoholic liquor from
 363 an industry member during the immediately preceding 12-month period, it
 364 is not an "of value" violation for an industry member to provide that
 365 retailer with not more than 384 ounces of any brand of beer, 3 liters of any
 366 brand of wine, and 3 liters of any brand of spirits. These sample
 367 requirements do not apply to consumer tastings.

368
 369 7) Social Media Advertising. An industry member may use social media to
 370 advertise product location communications that inform the public where
 371 its products may be purchased (retail locators) and pre-announcing any
 372 promotional activity to be held on a retailer's premises, if otherwise
 373 permitted by the Act, provided:

374
 375 A) The industry member does not give compensation to, or receive
 376 compensation from, directly or indirectly, the retail license holder
 377 for social media advertising.

378
 379 B) If the social media advertising is a product location
 380 communication, the purpose of the communication must be limited
 381 to allowing a consumer to determine the availability of a specific
 382 product at a retailer. If the social media pre-announces promotional
 383 activity at a retailer's premise, the focus of the social media
 384 advertising must be the product promotion and any reference to the

- 385 retailer should provide only necessary information, such as
386 location of the event.
387
- 388 C) The advertisement does not contain the retail price of the product.
389
- 390 D) All social media advertising must also comply with all applicable
391 rules and regulations issued by the Alcohol and Tobacco Tax and
392 Trade Bureau of the United States Department of the Treasury.
393
- 394 E) The industry member does not offer social media advertising to a
395 specific retailer to the exclusion of other, similarly situated
396 retailers.
397
- 398 8) Industry Member Promotional Events at Retailer Locations. Any
399 promotional event sponsored by an industry member at a retailer's
400 premises that primarily promotes the retailer's business and does not
401 promote, or only incidentally promotes, the industry member's brand or
402 brands of products violates the "of value" provisions of Section 6-5 of the
403 Act. Industry member promotional events held at retailer premises must
404 focus on the industry member or brands being promoted and all reference
405 to the retailer in any advertisement shall be limited to the name and
406 address of the retailer, which shall be relatively inconspicuous in relation
407 to the advertisement as a whole. Promotional events include, but are not
408 limited to, tastings, samplings, bottle signings, public product launch
409 events, or other similar methods of brand promotion. The promotions
410 shall be available to all similarly situated retailers without a purchase
411 requirement imposed upon a retailer.
412
- 413 9) Consumer Advertising Specialties. Consumer advertising specialties,
414 which are items, including but not limited to trading stamps, non-alcoholic
415 mixers, pouring racks, ash trays, bottle or can openers, corkscrews,
416 shopping bags, matches, printed recipes, pamphlets, cards, leaflets,
417 blotters, postcards, pencils, shirts, caps and visors, that are intended to be
418 given to and received by the consumer, may be given by an industry
419 member to a retailer, as long as the retailer gives all the items away to
420 consumers.
421
- 422 A) The industry member may not, directly or indirectly, pay or credit
423 the retailer for using or distributing these items, or for any expense
424 incidental to their use.
425
- 426 B) Only if the retailer pays for the consumer advertising specialties
427 may the items be retailer-specific. Consumer advertising

428 specialties must bear conspicuous and substantial advertising
429 matter about the brand or the industry member.

- 430
- 431 10) Educational Seminars. An industry member may give or sponsor
432 educational seminars for employees of retailers either at the industry
433 member's premises or at the retail establishment. Examples of these
434 educational seminars include seminars dealing with use of a retailer's
435 equipment, training seminars for employees of retailers, or tours of the
436 industry member's plant premises. This subsection (d)(10) does not
437 authorize an industry member to pay a retailer's expense in conjunction
438 with an educational seminar (such as travel and lodging). Industry
439 members may provide nominal hospitality during the event, including
440 meals and local transportation.
- 441
- 442 11) Industry members may service, balance or inspect draft beer, wine or
443 distilled spirits systems at regular intervals, and may provide labor to
444 replace or install rods, taps, faucets, fittings and lines in draft beer, wine or
445 distilled spirits dispensing equipment. However, free cleaning of coils by
446 an industry member or by a company whose services are paid for by an
447 industry member shall be considered something of value in violation of
448 Sections 6-5 and 6-6 of the Act.
- 449
- 450 12) Courtesy wagons, coil boxes, cold plates or pumps may be supplied to a
451 retailer, by an industry member, free of charge one time per year for a
452 one-day period. However, the industry member shall not supply free beer,
453 wine or distilled spirits to a retailer for the event.
- 454
- 455 13) Courtesy wagons, coil boxes, cold plates or pumps may be supplied to a
456 retailer, by an industry member, for an event that is given by or under the
457 auspices or sponsorship of a municipal, religious, charitable, fraternal or
458 social organization that is a holder of a Special Event License. However,
459 the industry member shall not supply free beer, wine or distilled spirits to
460 a retailer for the event.
- 461
- 462 14) Product Donations. An industry member may make contributions of cash,
463 alcoholic liquor products, non-alcoholic products, services, equipment or
464 signs to a not-for-profit organization, including but not limited to
465 charitable organizations, religious organizations, trade associations,
466 political organizations, and fraternal organizations. An industry member
467 may not make contributions of alcoholic liquor products to any not-for-
468 profit organization that has a local municipal and State of Illinois retail
469 license. These donations shall be subject to the following conditions:
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- A) Donations of alcoholic liquor products may not be given for commercial purposes. The proof of donative intent is on the industry member;
 - B) An industry member must maintain invoices on its licensed premises for a period of three years for all alcoholic liquor products donated to not-for-profit organizations;
 - C) Signage dollar limitations contained in Section 6-6 of the Act do not apply to signage and advertising materials donated to a not-for-profit organization; and
 - D) Advertising and signage referencing the industry member must be reasonably commensurate with a donative intent to ensure that the charitable donation is not being made for a commercial purpose, in violation of Section 100.280. The proof of donative intent is on the industry member.
- 15) Customized Label for Wine and Spirits Products. Wine or spirits customized label programs may be offered by industry members to retailers. A customized label program is defined as a sale in which the retailer purchases a single barrel of wine or spirits and the retailer has the option of selecting the product blend, age, estate, barrel or wood type in which the wine or spirits is stored or aged. Custom label programs must be offered to all similarly situated retailers who agree to purchase the program, under the following guidelines:
- A) All formulas and brand rights to the wine and spirits products must be owned by industry members; no brand rights to the wine or spirits product, or exclusive use of the blend or product options, may be offered to, or accepted by, the retailer;
 - B) An individual, non-exclusive custom label may include the retailer's name, provided there is a matching Federal Certificate of Label Approval and no language on the label or container suggests or implies that the wine or spirits is exclusive to the retailer; and
 - C) Any product displays that are a part of the customized label program must adhere to the rules on product displays set forth in subsection (d)(3).
- 16) Non-Alcoholic Merchandise. An industry member who is also in business as a bona fide producer or vendor of merchandise other than "alcohol",

514 "spirits", "wine", "beer" or "alcoholic liquor", as those terms are defined in
515 Article I of the Act, may furnish, give, sell or offer to sell that non-
516 alcoholic merchandise to retailers as provided in Section 6-6.3 of the Act.
517 However, non-alcoholic merchandise may not be used by an industry
518 member to induce or cause a retailer to engage in any activity prohibited
519 by the Act or this Part.

520
521 17) Stocking, Rotation, Resetting, and Pricing Services
522

523 A) Industry members, at retail licensed establishments, may stock
524 alcoholic liquors they sell, provided that alcoholic liquor products
525 of other industry members are not moved, altered or disturbed.
526 This stocking may be done only during the course of, or within 24
527 hours after, a regular sales call or delivery to the retailer. The
528 stocking is considered service incidental to a sales call or delivery.
529 Stocking is defined as any placing of alcoholic liquors where they
530 are to be stored or where they are offered for sale.
531

532 B) Industry members may rotate their own alcoholic liquor products
533 at a retailer's premises during the normal course of a sales call or a
534 delivery. Rotation is defined as moving newer, fresher product
535 from a storage area to a point-of-sale area and the replenishing of
536 the point-of-sale area with fresh product. Rotation may be
537 performed at any location within a retailer's premises.
538

539 C) Industry members are permitted to participate in or be present at
540 merchandising resets conducted at a retailer's premises no more
541 than four times per year. Resets are defined as large-scale
542 rearrangement of the alcoholic liquor products at a retailer's
543 premises. During resets, industry members may stock or restock
544 entire sections of point-of-sale locations at the retailer's premises.
545 No reset shall occur without at least 14 days prior notice made by
546 the retailer to all industry members whose alcoholic liquor
547 products are carried by the retailer. Industry members may only
548 move, alter, disturb or displace their alcoholic liquor products and
549 the products of properly notified but nonattending industry
550 members.
551

552 D) Industry members may provide to retailers recommended
553 diagrams, shelf plans or shelf schematics that suggest beneficial
554 display locations for their alcoholic liquor products at the retailer's
555 premises. Industry members may not condition pricing discounts,
556 credits, rebates, access to brands, or provision of any other item or

557 activity permissible under the Act or this Section upon a retailer's
558 choice to implement or not implement diagrams, shelf plans or
559 shelf schematics.

560
561 E) Industry members may not affix prices to products on behalf of
562 retailers. This prohibition includes the indirect affixing of prices to
563 product, including entering prices into a retailer's computer system.
564 This prohibition does not prohibit industry members, after stocking
565 a shelf, from affixing shelf tags that identify the product and price
566 of the alcoholic liquor; however, at no time may an industry
567 member delegate or contract this service to a third party. Shelf
568 tags are considered point-of-sale advertising materials and are
569 subject to the provisions of Section 6-6 of the Act. If permitted
570 stocking by an industry member involves movement and a change
571 in the placement of its product on the retailer's shelf, shelf tags
572 may be moved to the new position of the product.
573

574 18) Consumer Coupons and Discounts

575
576 A) Coupons; Defined – A coupon for alcoholic liquor is a paper or
577 digital price discount (e.g., E-coupon) offered by an industry
578 member to a consumer, in the possession of the consumer, and
579 which are presented by the consumer either directly or indirectly to
580 an industry member through redemption by an industry member,
581 third-party fulfillment agent, or a retailer. For purposes of this
582 Section, a coupon is not a paper or digital price discount offered
583 and funded solely by the retailer to a consumer.

584
585 B) Coupons; Types and conditions

586
587 i) Direct to Consumer Coupons – Direct to Consumer
588 Coupons are coupons offered by an industry member
589 directly to a consumer, in possession of the consumer, and
590 which are presented by the consumer without redemption
591 through a retailer (e.g., mail-in rebates or coupons).
592 Subject to retailer approval, industry members may offer or
593 make available Direct to Consumer Coupons to consumers
594 from any location including within the licensed retail
595 premises and at or near the product discounted. Direct to
596 Consumer Coupons are solely authorized as follows:

597
598 • Free standing inserts from a retailer or non-retailer
599 publication;

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- In-ad Direct to Consumer Coupons printed by a retailer in a retailer publication or by a third party in a non-retailer publication;
- Cross-product Direct to Consumer Coupons if the discount applies to a non-alcoholic product which is not a retailer branded or private label product;
- On-product or product display Direct to Consumer Coupons including but not limited to neck hangers and shelf tags;
- Retailer register printed Direct to Consumer Coupons;
- Consumer printed Direct to Consumer Coupons;
- Digital/online/paper Direct to Consumer Coupons transmitted directly or indirectly through a non-retailer third-party fulfillment processor to the consumer (e.g. phone app, text message);
- Direct to Consumer Coupons that consumers return (via mail/email) directly to an industry member or indirectly to an industry member through a non-retailer third-party processor to an industry member (Mail-in coupons).

ii) Retailer Redemption Coupons – Retailer Redemption Coupons are Coupons offered by an industry member to a consumer, in the possession of the consumer, which are presented by the consumer to a retailer for an instant price discount at the retailer point of sale and for which the retailer is reimbursed by the industry member for the face value of the Coupon. Such coupons may include Instant Redeemable Coupons or “IRCs” and are solely authorized as follows:

- Free standing inserts from a retailer or non-retailer publication;

- 642 • In-ad Retailer Redemption Coupons or IRCs from a
643 retailer or non-retailer publication;
- 644
- 645 • Cross-product Retailer Redemption Coupons or
646 IRCs if the discount applies to a non-alcoholic
647 product which is not a retailer branded or private
648 label product;
- 649
- 650 • Retailer register printed Retailer Redemption
651 Coupons or IRCs;
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- 653 • Consumer printed Retailer Redemption Coupons or
654 IRCs;
- 655
- 656 • Digital/online Retailer Redemption Coupons or
657 IRCs transmitted directly to the consumer.
- 658
- 659 iii) Product Adjacent Retailer Redemption Coupons;
660 Prohibited; Exceptions – Neither an industry member nor a
661 retailer shall offer or place Retailer Redemption Coupons
662 or IRCs at or within the retailer licensed location except for
663 free standing inserts from a retailer or non-retailer
664 publication; in-ad Retailer Redemption Coupons or IRCs
665 printed in a retailer publication or in a non-retailer
666 publication; Retailer Redemption Coupons or IRCs printed
667 at the retailer register after sale; digital/online Retailer
668 Redemption Coupons or IRCs transmitted directly to the
669 consumer.
- 670
- 671 iv) Coupons, conditions
- 672
- 673 • Retailer Redemption Coupons or IRCs shall be
674 reimbursed to the retailer only with substantiation
675 through books and records that there has been a
676 purchase of product to warrant the reimbursement.
677 All books and records of reimbursements, including
678 any supporting documentation, proof of
679 reimbursement, and purchase invoices, shall be
680 maintained by the retail licensee for a period of
681 three years.
- 682
- 683 • Industry members shall not reimburse a retailer for
684 more than the face value of all Coupons redeemed.

- 685 No retailer shall accept reimbursement for more
686 than the face value of all Coupons redeemed.
- 687
 - 688 • Retailer Redemption Coupons or IRCs shall be
689 redeemable at all participating retailer locations and
690 shall include a statement on the face of the Retailer
691 Redemption Coupon or IRC substantially similar to
692 the following statement: “This coupon shall be
693 redeemable at all participating retailers.”
 - 694
 - 695 • Coupons regulated in this Section shall not identify
696 the name or brand of the retailer.
 - 697
 - 698 • Industry members offering coupons to be placed at
699 the retailer licensed location shall distribute such
700 coupons to a retailer in direct proportion to the
701 number of coupon-related products sold by the
702 retailer and shall offer such coupons to all retailers.
 - 703
 - 704 • Coupons shall abide by 11 Ill. Admin. Code
705 100.280. Coupons shall not result in giving away
706 alcoholic liquor nor shall Coupons use the words
707 “free” or “complimentary” on the face of the
708 coupon.
 - 709
 - 710 • Coupons subject to this Section shall not be
711 redeemable for retailer branded or retailer private
712 label products or be retailer specific in any manner.
 - 713
 - 714 • Coupons must contain an expiration date and cannot
715 be redeemed by the retailer beyond the expiration
716 date.
 - 717
 - 718 • Coupons shall state on the face of the coupon that
719 coupon use is for persons aged 21 and over.
 - 720
 - 721 • Coupons offered at a retailer licensed premises shall
722 be presumed to be funded by industry members
723 unless otherwise demonstrated.
 - 724
 - 725 • Coupon programs are voluntary. An industry
726 member shall not compel a retailer to accept a

- 727 Coupon nor shall a retailer demand an industry
- 728 member to offer a Coupon.
- 729
- 730 • Coupons may be fulfilled through an unlicensed
- 731 third-party fulfillment agent acting on behalf of the
- 732 industry member offering the Coupons. Any act or
- 733 omission of a third-party fulfillment agent related to
- 734 Coupons is the act or omission of the industry
- 735 member.
- 736
- 737 C) Scan Discount, prohibited – A Scan Discount is a non-Coupon
- 738 product discount incorporated into the advertised price of the
- 739 product either by agreement between an industry member and a
- 740 retailer or by act of the industry member for a specified
- 741 promotional period, whereby the consumer receives a price
- 742 discount through the purchase of the product or by membership in
- 743 a retailer program, or through a similar non-Coupon program, and
- 744 the retailer obtains reimbursement from the industry member for
- 745 the face value of the discount. Such Scan Discounts may also be
- 746 known as "scan backs". An industry member shall not reimburse a
- 747 retailer and a retailer shall not accept from an industry member any
- 748 reimbursement for a Scan Discount.

749 (Source: Amended at 46 Ill. Reg. _____, effective _____)

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