

November 19, 2015

Jessica Fike
Regulatory Compliance Specialist
North American Breweries
50 Fountain Plaza, Suite 900
Buffalo, New York 14202
VIA E-MAIL

RE: Coasters

Dear Ms. Fike:

ISSUE: This correspondence is in response to your e-mail of October 20, 2015 wherein you request information regarding drink coasters to be made available in Pennsylvania. You would like to imprint coasters with the names of an alcohol beverage brand and a sports team.

OPINION: Generally, the Liquor Code prohibits providing anything of value as an inducement to purchase alcohol. [47 P.S. § 4-493(24)]. However, there is an exception to this general prohibition which allows the offering of advertising novelties, such as matches, disposable lighters, bottle or can openers, t-shirts, caps, corkscrews, and pens and pamphlets, of nominal value. [Id.] The Board has defined advertising novelties of nominal value as items that have a wholesale cost of fifteen dollars (\$15.00) or less and contain advertising material. [40 Pa. Code § 13.52; Board Advisory Notice No. 10 (6th Revision)]. Advertising novelty giveaways may or may not be conditioned on the purchase of an alcoholic beverage.

Although the coaster may have a nominal value, it is unlawful for any licensee to provide equipment or fixtures to other classes of licensees. [47 P.S. § 4-493(17)]. Section 13.52(c) of the Board's Regulations provides in pertinent part that:

Advertising novelties provided by manufacturers or any class of licensee may not be used as equipment by any hotel, restaurant, club, retail dispenser, importing distributor or distributor licensee...

[40 Pa. Code § 13.52(c)].

Whether an item constitutes equipment, or is truly an advertising novelty, is determined on a case-by-case basis. In the past, this office has determined that coasters constitute equipment.

In light of the aforementioned, coasters with logos are not *per se* illegal. However, they have been/are regarded as equipment and cannot be sold or provided by another licensee. It would only be permissible for a retail licensee to acquire the coasters from a third party who is not a supplier of alcohol or otherwise licensed by the Board.

Should you have any additional questions, do not hesitate to contact this office.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Very truly yours,

RODRIGO J. DIAZ
EXECUTIVE DEPUTY CHIEF COUNSEL

cc: Pennsylvania State Police, Bureau of Liquor Control Enforcement
Jerry W. Waters, Director of Office of Regulatory Affairs
Tisha Albert, Director, Bureau of Licensing
Jeffrey Lawrence, Assistant Director, Bureau of Licensing

LCB Advisory Opinion No. 15-468