

August 9, 1999

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Mary Kramer
UDV North America, Inc.
Regulatory Compliance
Six Landmark Square
Stamford, CT 06901

Dear Ms. Kramer:

ISSUE: In your letter dated July 14, 1999 to Fred Hamilton, the PLCB Director of Marketing, which was forwarded to this office, you ask whether liquor manufacturers or importers may offer consumers a money-back guarantee on their products through advertisement. If such guarantees are allowed, you ask whether they are limited to certain classes of beverages or whether it is possible to give back some or all of the purchase price if the product is returned.

OPINION: Under section 493(24) of the Pennsylvania Liquor Code, [47 P.S. Section 4-493(24)], it is not permissible to offer anything of value such as a prize, premium, gift or other inducement to purchase liquor or malt or brewed beverages except advertising novelties of nominal value. [47 P.S. Section 4-493(24)]. It is also impermissible to offer a rebate or refund to induce the purchase of liquor or malt or brewed beverages. [47 P.S. Section 4-493(22)].

Under these provisions, it would be permissible to offer a money-back guarantee up to the price of the purchase amount to the customer if there is a basis for return of the product. The amount of the guarantee should not exceed the purchase price of the product, which would be considered an inducement to purchase the beverages. You may wish to consult the Bureau of Alcohol, Tobacco and Firearms for their view of this activity under federal law.

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,

FAITH S. DIEHL
CHIEF COUNSEL

cc: Bureau of Liquor Control Enforcement,
Pennsylvania State Police

LCB Advisory Opinion No. 99-288