

Proposed New Rule

Section 3.17.3 Retailer Loyalty Programs

- (A) For the purposes of the section, a loyalty program is defined as a marketing program that offers certain incentives to encourage customer retention.
- (B) The holder of a manufacturer or wholesale tier license or permit cannot directly or indirectly reimburse a retailer for any costs associated with a loyalty program.
- (C) A retailer may offer a loyalty program subject to the following conditions:
 - a. The loyalty program may give consumers discounts on the purchase of alcoholic beverages and on non-alcoholic products or items.
 - b. The loyalty program may have a point accrual and redemption component in addition to discounts. Accrued points may be redeemed on alcoholic beverage or non-alcoholic beverage products or items.
 - c. Loyalty program point accrual and redemption components shall only be offered on the final sale of alcoholic beverage or non-alcoholic beverage products. Increased loyalty program awards or point values for the purchase of specific alcoholic beverage or non-alcoholic product brands is strictly prohibited.

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