INDUSTRY CIRCULAR

Promotional Games and Contests Where Liquor is a Prize – Prohibited

Recently the Division has been getting questions about the use of alcohol as a prize in promotional games, contests, and raffles. The Division would like to clarify its position on the regulations/statutes that deal with these types of contests.

Regulation No. 11 CSR 70-2.140(9) Any licensee may sponsor or allow promotional games to be conducted upon his/her licensed premises, provided that—

(B) Intoxicating liquor may not be a prize of a promotional game or contest either directly or indirectly;

Under the above subsection, licensees may not sponsor any promotional games where alcohol is awarded as a prize, directly (i.e. intoxicating liquor of any kind, in any amount) or indirectly (i.e. any means to purchase/procure intoxicating liquor such as cash, gift card, coupon/voucher where the purchase/procurement of alcohol is not expressly precluded). The Division considers a raffle to be a contest for the sake of interpreting this regulation, except where permitted under 11 CSR 70-2.140(9)(E).

The only exception to this rule is in section 311.332 (3) RSMo.

311.332. Wholesale price regulation, discrimination prohibited — delivery to certain organizations for nonresale purposes, allowed when — donation permitted, when.
3. Manufacturers, wholesalers, retailers and unlicensed persons may donate wine in the original package to a charitable or religious organization as defined in section 313.005 or educational institution for the sole purpose of being auctioned by the organization or institution for fund-raising purposes, provided the auction takes place...
on a retail-licensed premises and all proceeds from the sale go into a fund of an organization or institution that is unrelated to any licensed retail operation.

Under this statute, licensees may donate wine to a charitable or religious organization for the sole purpose of being auctioned off by the organization for fund-raising purposes. This exception does not apply to beer, malt liquors, or spirits. Additionally, licensees cannot auction the wine themselves and donate the proceeds. The charitable or religious organization must conduct the auction.

ATC is posting this circular to address the inquiries that we have been receiving and to communicate its position about these types of contests/raffles. If you have any future questions or/concerns, you may contact the Division for clarification.