



State Liquor Authority

ANDREW M. CUOMO
Governor

VINCENT G. BRADLEY
Chairman

GREELEY FORD
Commissioner

DECLARATORY RULING

SnapBev Interactive Computerized Kiosks
Agenda #2016-02562C
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The Members of the Authority are in receipt of a request from SnapBev, a company that manufactures and installs interactive computerized kiosks, for a Declaratory Ruling as to whether, under the facts presented, SnapBev may place the kiosks in liquor and wine stores and show advertising by licensed suppliers, wholesalers, and retailers for alcoholic beverages. In particular, SnapBev seeks guidance as to whether its proposed method of operation violates the "Gifts and Services Law"¹ and the regulations promulgated by the Authority with respect to that law.²

Based up on the facts as presented, SnapBev is an interactive computerized device that automatically produces specific alcoholic beverage recommendations to consumers based upon the consumers' self-reported tastes and preferences. Such recommendations are specifically tied to the store's inventory. SnapBev does not hold any liquor licenses and has no interest in any liquor license.

As proposed, SnapBev would enter into an agreement with a participating licensed liquor or wine store retailer whereby the retailer would pay SnapBev a recurring fixed fee in exchange for possession of the kiosk. SnapBev may independently enter into an advertising agreement with a licensed manufacturer or wholesaler whereby the wholesaler would pay SnapBev to purchase advertising on the kiosk. SnapBev may also contract with the retailer for advertising on the kiosk. SnapBev retains all advertising revenue and does not pass through or revenue-share any payments to any other party.

¹ Section 101(1)(c) of the Alcoholic Beverage Control Law prohibits, with certain exceptions, a licensed manufacturer or wholesaler from making any gift or providing any service to a licensed retailer that, in the judgment of the Authority, may tend to influence the retailer to purchase the products of the manufacturer or wholesaler. Section 86.1 of the Rules of the Authority prohibits a licensed retailer from accepting such gifts and services.

² In particular, SnapBev seeks guidance as to whether its proposal would violate Section 86.4 of the Rules of the Authority, which regulates the provision of interior signs by a manufacturer or wholesaler to a retailer.

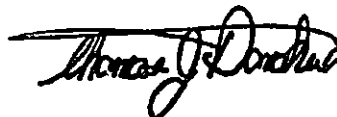
Determination of the Members

Based upon the above representations, the Members of the Authority find that SnapBev's proposal does not violate the Gifts and Services Law, in general, nor the regulations concerning interior signs provided by manufacturers and wholesalers inasmuch as the kiosks are not being furnished by a manufacturer or wholesaler to the retailer. The retailer is contracting with and paying an unlicensed third party, SnapBev, for placement of the kiosk. If the manufacturer, wholesaler or the retailer decides to also advertise on the kiosk, each pays SnapBev for their own respective advertising. All funds go to SnapBev. No money or other consideration is exchanged between the manufacturer or wholesaler and the retailer. Given these particular facts, there is no violation since, in our judgement, there is no inducement or attempt to influence the retailer to purchase any particular product.

To the extent that the SnapBev kiosk will offer consumers electronic coupons from wholesalers/suppliers, those coupons cannot be redeemed at or by a licensed retailer but must be redeemed at a redemption center by or on behalf of the wholesaler/supplier.

This matter was heard and determined by the Members of the Authority at a Full Board meeting held on November 22, 2016 before Chairman Vincent Bradley and Commissioner Greeley Ford. The written declaratory ruling was approved by the Members of the Authority at a Full Board meeting held on January 19, 2017 before Chairman Vincent Bradley and Commissioner Greeley Ford.

Dated: 1/24/17



Thomas J. Donohue
Secretary to the Authority