

1993-20

**DEPARTMENT OF REVENUE  
FOR INTRA-DEPARTMENTAL CORRESPONDENCE**

**TO:** Liquor Enforcement Division                      **DATE:** November 30, 1993

**FROM:** <sup>DCR</sup> David Reitz - Director, Liquor Enforcement Division

**SUBJECT:** Division Position - Trade practice requirements with respect to non-alcoholic beverages.

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The Division has received numerous inquiries as to non-alcoholic beverages and how they fit in with trade practice requirements. I have taken the position in the past, and continue to do so now, that non-alcoholic products are not per se within in the same category as alcohol.

The Division has no statutory or regulatory authority to exercise control over non-alcoholic products, therefore the Division can only issue a limited position statement on this matter. However, the following guidelines should be adhered to by liquor licensees who also traffic in non-alcoholic beverages.

To avoid a trade practice violation under the beer or liquor codes: non-alcoholic products, or their promotions, cannot be conditioned or tied to the sale of alcoholic beverages, directly or indirectly. The sale of non-alcoholic products, to avoid the beer or liquor codes trade practice restrictions, must be a separate business function, not transacted with or in conjunction with alcohol beverage sales. Examples of separate business functions would be: Invoicing the two different products on separate invoices, record keeping separate, advertising separate, promotional programs separate. I would also add that the Division would show interest should the alcohol buying or purchase pattern between the retail licensee and the supplier significantly change due to the sale or promotion of non-alcoholic products. Section 12-47-129 C.R.S. and its related regulations must be kept in mind by liquor and beer suppliers when considering this matter.