

# California Craft Brewer Association: Sweepstakes FAQ



**Q: What is the basic info on sweepstakes rules for breweries, what is allowed and what not?**

**A:** Contests and sweepstakes can be tricky. Preliminarily, contests are skill-based competitions whereas sweepstakes are a game of chance. That being said, a brewery may perform either subject to certain restrictions. Prizes do not have a cost limit and may include beer but only as an “incidental part of the prize package.” The main rules are outlined below (retailer involvement makes things messier as you might imagine so if you wanted to involve those, there would be additions to this list:

- Entry or extra chances in a contest/sweepstake shall not be made available via the purchase of an alcoholic beverage. Contests/sweepstakes where consumers are entitled to an allotment or accumulation of points based on purchases made over a period of time that can be redeemed for prizes, things of value, or additional contest entries are specifically prohibited.
- Entry into or participation in a contest/sweepstake shall be limited to persons 21 years of age or older.
- No contest/sweepstake shall involve consumption of alcoholic beverages by a participant.
- A contest/sweepstake may not be conducted for the benefit of any permanent retail licensee.
- The forms of entry are very limited, including prohibitions on using caps, labels, and similar packaging as a means of entry. Also a means of entry that does not require a visit to a licensed premises must be offered.
- A contest/sweepstake shall not provide for the instant or immediate awarding of a prize or prizes, though instant notification to the consumer that he or she is a winner is permissible.
- Again, unsurprisingly, there are rules about how much involvement a retailer can have – as a general rule do not involve them if possible.
- Importantly, alcoholic beverages or anything redeemable for alcoholic beverages shall not be awarded as a contest/sweepstake prize. Though there is an exception if the alcohol is merely an incidental part of a prize package. You can also give straight cash if you like and happily there is no limit on what the grand total can be.
- Advertising of a contest/sweepstake must comply with the usual signage and advertising rules.
- Prizes shall not be awarded to an authorized licensee, retail licensee, or wholesale licensee or agent, officer, employee, or family member of an authorized licensee, retail licensee, or wholesale licensee. For reference, “family member” means a spouse, parent, sibling, child, son-in-law, daughter-in-law, and lineal descendants, including those by adoption.
- You must maintain all records for three years. Although the law does not specifically define what types of records, we recommend keeping documentation of all advertising, entries, winners, winner notifications, and description of prize(s).