

Sample of State Policies Regarding Happy Hours and Drink Specials

ALABAMA

It shall be unlawful for any licensee to serve:

- multiple drinks for a single price;
- establish a single retail price upon the required purchase of two or more drinks
- sell or otherwise furnish drinks before 10 a.m. or after 9 p.m. at a price which is reduced from the usual customary or established retail price
- sell or provide one person or group of persons drinks at prices less than those charged the general public for that day (Code of Alabama 1975 Section 28-3-49)

CONNECTICUT

Sec. 30-6-A24b. Restrictions on drink promotions

(b) Restrictions.

No permittee, backer, or employee or agent of same, at any on-premises consumption place of business, shall:

- (1) sell, offer, or deliver more than one drink to any one person for his/her own consumption at any one time. A second serving may be allowed only after the first serving has been substantially disposed of or consumed;
- (2) sell, offer or deliver drinks by the pitcher or other vessel containing more than one drink except to two or more persons, excluding minors as defined by the Liquor Control Act, at any one time. A second serving may be allowed only after the first serving has been substantially disposed of or consumed;
- (3) sell, offer or deliver to any person an unlimited number of drinks during any set period of time for a fixed price;
- (4) encourage or permit, on the licensed premises, any game or contest which involves drinking or the awarding of drinks as prizes.

(c) Private Functions and Hotel Guest Bars.

The provisions of this section shall not apply to private functions held in a room or rooms at any on-premises consumption place of business or to hotel guest bars.

(d) Nothing in this section shall be construed as an exception to any other provision of the Liquor Control Act or Regulations of Connecticut State Agencies, especially those respecting hours and days of sale, the sale of alcoholic liquor to minors or intoxicated persons.

(Effective January 31, 1986, amended March 3, 1995; Amended October 1, 2001)

HAWAII-MAUI

No person licensed to sell liquor for consumption on the premises shall engage in practices which promote excessive consumption of liquor. The liquor commission shall adopt rules pursuant to chapter 91 to prohibit specific liquor promotion practices which promote excessive consumption of liquor (§281-78.5).

Rules and Regs: §08-101-69 Practice to promote excessive consumption of liquor: prohibited.

- a) No licensee of any premises licensed to sell liquor for consumption on the premises shall:
 1. Sell, advertise, or offer to sell "all the liquor you can drink" for a fixed price; or encourage, sponsor, permit or have any promotion, game or contest that involves the consumption of liquor or the awarding of liquor as a prize;
 2. Serve an unlimited amount of liquor during a set period of time for a fixed price, provided this provision does not apply to class 2 and class 12 licensees, when such function is not open to the general public, and for which a hosted bar is utilized such as weddings, private parties, and fundraising functions, or where liquor may be inclusive with champagne brunch or luaus;
 3. Employ any person for the purpose of selling, furnishing or serving liquor under any scheme, plan, or arrangement involving the payment for such services on the basis of any commission, percentage, or such similar method of payment without the prior approval of the commission.
- b) No licensee shall sell, serve, or furnish liquor to any person at a cost below licensee's cost of liquor purchased at wholesale, except as may be provided in the rules of the commission. For this section, cost of liquor shall mean the licensee's wholesale purchase price including any tax, shipping and handling cost.

ILLINOIS

5/6-28. Happy Hours Prohibited

(a) All retail licensees shall maintain a schedule of the prices charged for all drinks of alcoholic liquor to be served and consumed on the licensed premises or in any room or part thereof. Whenever a hotel or multi-use establishment which holds a valid retailer's license operates on its premises more than one establishment at which drinks of alcoholic liquor are sold at retail, the hotel or multi-use establishment shall maintain at each such establishment a separate schedule of the prices charged for such drinks at that establishment.

(b) No retail licensee or employee or agent of such licensee shall:

- (1) serve 2 or more drinks of alcoholic liquor at one time to one person for consumption by that one person, except selling or delivering wine by the bottle or carafe;
- (2) sell, offer to sell or serve to any person an unlimited number of drinks of alcoholic liquor during any set period of time for a fixed price, except at private functions not open to the general public;
- (3) sell, offer to sell or serve any drink of alcoholic liquor to any person on any one date at a reduced price other than that charged other purchasers of drinks on that day where such reduced price is a promotion to encourage consumption of alcoholic liquor, except as authorized in paragraph (7) of subsection (c);
- (4) increase the volume of alcoholic liquor contained in a drink, or the size of a drink of alcoholic liquor, without increasing proportionately the price regularly charged for the drink on that day;
- (5) encourage or permit, on the licensed premises, any game or contest which involves drinking alcoholic liquor or the awarding of drinks of alcoholic liquor as prizes for such game or contest on the licensed premises; or
- (6) advertise or promote in any way, whether on or off the licensed premises, any of the practices prohibited under paragraphs (1) through (5).

(c) Nothing in subsection (b) shall be construed to prohibit a licensee from:

- (1) offering free food or entertainment at any time;
- (2) including drinks of alcoholic liquor as part of a meal package;
- (3) including drinks of alcoholic liquor as part of a hotel package;
- (4) negotiating drinks of alcoholic liquor as part of a contract between a hotel or multi-use establishment and another group for the holding of any function, meeting, convention or trade show;
- (5) providing room service to persons renting rooms at a hotel;
- (6) selling pitchers (or the equivalent, including but not limited to buckets), carafes, or bottles of alcoholic liquor which are customarily sold in such manner and delivered to 2 or more persons at one time; or
- (7) increasing prices of drinks of alcoholic liquor in lieu of, in whole or in part, a cover charge to offset the cost of special entertainment not regularly scheduled.

INDIANA

IC 7.1-5-10-20

Unlawful acts by retailers

Sec. 20. (a) It is unlawful for a holder of a retailer's permit to do any of the following:

- (1) Sell alcoholic beverages during a portion of the day at a price that is reduced from the usual, customary, or established price that the permittee charges during the remainder of that day.
- (2) Furnish two (2) or more servings of an alcoholic beverage upon the placing of an order for one (1) serving to one (1) person for that person's personal consumption.
- (3) Charge a single price for the required purchase of two (2) or more servings of an alcoholic beverage.

(b) Subsection (a) applies to private clubs but does not apply to private functions that are not open to the public.

(c) Notwithstanding subsection (a)(1), it is lawful for a holder of a retailer's permit to sell alcoholic beverages during a portion of the day at a price that is increased from the usual, customary, or established price that the permittee charges during the remainder of that day as long as the price increase is charged when the permittee provides paid live entertainment not incidental to the services customarily provided.

(d) Notwithstanding subsection (a), section 12 of this chapter, and IC 7.1-5-5-7, it is lawful for a hotel, in an area of the hotel in which alcoholic beverages are not sold, to make available to its registered guests and their guests alcoholic beverages at no additional charge beyond what is to be paid by the registered guests

as the room rate.

As added by P.L.86-1985, SEC.2. Amended by P.L.79-1986, SEC.5.

LOUISIANA

It is illegal to sell or serve any alcoholic beverages at a price fixed on an "all you can drink" basis after the hour of 10:00 p.m. (Louisiana Alcoholic Beverage Control Law, Part 2, Section 90)

MAINE

No licensee or employee or agent of a licensee may:

- (1) Offer or deliver any free liquor to any person or group of persons;
- (2) Deliver more than 2 drinks containing spirits, a carafe containing more than one liter or 33.8 ounces of wine, or any serving or pitcher containing more than one liter or 33.8 ounces of malt liquor, to one person at one time;
- (3) Sell, offer to sell or deliver to any person or group of persons an unlimited number of drinks for a fixed price, except at private functions not open to the public;
- (4) Encourage or permit, on the licensed premises, any game or contest that involves drinking or the awarding of drinks as prizes; or
- (5) Any other practice the specific purpose of which is to encourage customers of the licensee to drink to excess; and

B. No licensee may advertise or promote in any way, whether within or without the licensed premises, any of the practices prohibited under paragraph A.

2. Exceptions. Subsection 1 does not prohibit the following practices:

- A. Licensees offering free food or entertainment either with or without the purchase of one drink;
- B. Licensees increasing the prices for drinks when entertainment is provided;
- C. Licensees including a drink as part of a meal package;
- D. The sale or delivery of wine, malt liquor or mixed drinks by the bottle, carafe or pitcher when sold with meals or to more than one person;
- E. Those licensed under section 1402 offering free wine tastings;
- F. Those licensed as bona fide hotels offering room services to registered guests
- G. Licensees offering reduced prices for prearranged private parties on the premises of the licensee; or
- H. Licensees whose licensed premises include more than one room charging different prices for the same drink served in the different rooms.

(28A §709)

MISSISSIPPI

No laws found in this area.

NEW MEXICO

The following practices are prohibited on a licensed premise:

- games or contests that involve drinking alcoholic beverages or the awarding of alcoholic beverage drinks as prizes;
- the sale or delivery to a person of an unlimited number of alcoholic beverage drinks during any set period of time for a fixed price;
- the sale or delivery of two or more alcoholic beverage drinks for the price of one;
- allowing any person to have more than two unconsumed alcoholic beverage drinks at any one time;
- the sale or delivery of alcoholic beverages by the drink for less than half the usual, customary, or established price for a drink of that type on the licensed premises;

- the sale or delivery of alcoholic beverages by the drink for less than cost; or
- the advertising of the practices prohibited by this regulation.
(Title 15, Chapter 10, Part 5, Subpart 1)

NEW YORK

Article 8, §117-a. Unlimited drink offerings prohibited. 1. No licensee, acting individually or in conjunction with one or more licensees, shall: (a) offer, sell, serve, or deliver to any person or persons an unlimited number of drinks during any set period of time for a fixed price. (b) allow a person, agent, party organizer, or promoter, as such terms shall be defined by the authority in rule and regulation, to offer, sell, serve, or deliver to any person or persons an unlimited number of drinks during any set period of time for a fixed price. (c) advertise, promote, or charge a price for drinks that in the judgment of the authority creates an offering of alcoholic beverages in violation of the purposes and intent of this section, or which in the judgment of the authority is an attempt to circumvent the intent and purposes of this section, such as offerings of free drinks, or multiple drinks for free or for the price of a single drink, or for such a minor amount that in the judgment of the authority the pricing would constitute an attempt to circumvent the intent and purposes of this section. 2. As used in this section, licensee means and includes the licensee, and any employees, or agents of such licensee. 3. With respect to an individual licensee, this section shall not apply to private functions not opened to the public, such as weddings, banquets, or receptions, or other similar functions, or to a package of food and beverages where the service of alcoholic beverages is incidental to the event or function. 4. The authority shall investigate any documented allegation of a violation of this section upon a complaint by any person. 5. The authority shall promulgate rules and regulations necessary to implement the provisions of this section.

(Note: “The State Liquor Authority has determined that 2 for 1, half price and Happy Hour specials whereby the price of a drink is not lower than one-half of the premise's normal or regular price for the same drink does not constitute an attempt to circumvent, the intent and purpose of this statute”, as stated in the FAQ online at www.abc.state.ny.us/faq.html)

NORTH CAROLINA

NCAC 2S.0232 HAPPY HOURS REGULATED

(a) An on-premise permittee or his agent shall not:

- (1) sell more than one drink to a patron for a single price;
- (2) establish a single price based upon the required purchase of more than one drink;

or

- (3) deliver more than one drink at one time to a patron for his consumption.

This Rule does not prohibit the sale of pitchers of alcoholic beverages to two or more patrons. This Rule also does not prohibit serving a single carafe or bottle of wine to a single patron.

(b) An on-premise permittee or his agent shall not give away a drink or sell one at a price that is different from the usual or established price charged for the drink for any period of time less than one full business day. Free or reduced drinks under this provision shall be offered to all customers, not just a segment of the population.

(c) For purposes of this Rule, a "drink" contains the amount of alcoholic beverages usually and customarily served to a single patron as a single serving by the permittee.

(d) Exception for Certain Holidays. An on-premise permittee may include alcoholic beverages in a package offering that includes a meal or entertainment if the offered special is made in conjunction with the following holidays: New Year's, Valentines Day, Mother's Day, or Father's Day.

(e) The offer of a meal and alcoholic beverage at a single total price is not a violation of this Section so long as the total price reflects the actual price of the alcoholic beverages and not a reduced price.

History Note: Statutory Authority G.S. 18B-207;

Eff. August 1, 1985;

Amended Eff. July 1, 1992.

OKLAHOMA

No person shall give any alcoholic beverage as a prize, premium or consideration for any lottery, game of chance or skill or any type of competition. No person shall advertise or offer "happy hours" or any other means or inducements to stimulate the consumption of alcoholic beverages including:

- Deliver more than two drinks to one person at a time
- Sell or offer to sell to any person or group of persons any drinks at a price less than the price regularly charged for such drinks during the same calendar week, except at private functions not open to the public
- Sell or offer to sell to any person an unlimited number of drinks during any set period of time for a fixed price, except at private functions not open to the public
- Sell or offer to sell drinks to any person or group of persons on any one day at prices less than those charged the general public on that day, except at private functions not open to the public
- Increase the volume of alcoholic beverages contained in a drink without increasing proportionately the price regularly charged for such drink during the same calendar week
- Encourage or permit, on the licensed premises, any game or contest which involves drinking or the awarding of drinks as prizes (§37-537)

OHIO

4301:1-1-50 Limitations on happy hours and similar retail price reductions.

(A) No liquor permit holder and no agent or employee of a liquor permit holder shall:

(1) Offer to sell, furnish, or deliver to any person

or group of persons:

(a) Two or more servings of any alcoholic beverage upon the placing of an order for an individual drink of any alcoholic beverage;

(b) An unlimited number of servings of alcoholic beverages during any set period of time for a fixed price;

(c) Any alcoholic beverage after nine p.m. at a price less than that charged to other patrons.

(2) Encourage or permit any game or contest that involves drinking or the awarding of alcoholic beverages as a prize.

(3) Increase the volume of alcoholic beverages contained in a serving without increasing proportionately the price charged for such serving.

(B) All permit holders shall maintain on their permit premises a schedule of prices for all drinks of alcoholic beverages to be served or consumed thereon. Scheduled prices shall be effective for not less than one calendar month, dating from twelve p.m. on the first day of each month. Prior to nine p.m., permit holders may sell, furnish, or deliver any of these alcoholic beverages at a lower price during happy hour periods. After nine p.m., no permit holder shall offer to sell, furnish, or deliver to any person any alcoholic beverages at a price less than the regularly-charged price as established by the aforementioned schedule of prices.

PENNSYLVANIA

Title 40, § 13.102. Discount pricing practices.

(a) *General.* Retail licensees may discount the price of alcoholic beverages for a consecutive period of time not to exceed 2 hours in a business day, but may not engage in discount pricing practices between 12 midnight and the legal closing hour. Retail licensees may not engage in the following discount pricing practices unless specifically excepted in subsection (b):

(1) The sale or serving, or both, of more than one drink of liquor, wine, or malt or brewed beverages at any one time to any one person, for the price of one drink.

(2) The sale or serving, or both, of an increased volume of one drink of liquor, wine, or malt or brewed beverages without a corresponding and proportionate increase in the price for the drink.

(3) The sale or serving, or both, of an unlimited or indefinite amount of liquor, wine, or malt or brewed beverages for a set price.

(4) The pricing of alcoholic beverages in a manner which permits the price to change within the 2-hour period.

(b) *Exceptions.* Nothing in subsection (a) prohibits:

- (1) The sale or serving, or both, of an unlimited or indefinite amount of liquor, wine or malt or brewed beverages for a fixed price for catered events which have been arranged at least 24 hours in advance.
- (2) The offering for sale of one specific type of alcoholic beverage or drink per day or a portion thereof at a reduced price, if the offering does not violate subsection (a).
- (3) The sale, serving or offering of an unlimited or indefinite amount of alcoholic beverages as part of a meal package after 7 a.m. on December 31, 1999, until 2 a.m. on the following day by a hotel licensee to registered overnight guests of the hotel.

TEXAS

§45.103. On-Premises Promotions.

- (a) This rule is adopted to prohibit those practices by on-premise retail establishments that are reasonably calculated to result in excessive consumption of alcoholic beverages by consumers. Such practices constitute a manner of operation contrary to the public welfare, health and safety of the people in violation of §§11.61(b)(7) and 61.71(a)(17) of the Alcoholic Beverage Code.
- (b) Excessive consumption of alcoholic beverages shall be determined by the standard of public intoxication articulated in §49.02 of the Penal Code.
- (c) Retail licensees and permittees may not:
 - (1) serve, sell, or offer to serve or sell, two or more open containers of alcoholic beverages at a price less than the number of containers actually sold or served;
 - (2) increase the volume of alcohol contained in a drink without increasing proportionally the price thereof;
 - (3) serve or offer to serve more than one free alcoholic beverage to any identifiable segment of the population during the course of one business day. Licensees and permittees may, however, without prior advertising, give one free alcoholic beverage to individual consumers in celebration of birthdays, anniversaries or similar events;
 - (4) sell, serve, or offer to sell or serve an undetermined quantity of alcoholic beverages for a fixed price or "all you can drink" basis;
 - (5) sell, serve, or offer to sell or serve, alcoholic beverages at a reduced price to those consumers paying a fixed "buy in" price;
 - (6) sell, serve, or offer to sell or serve, alcoholic beverages at a price contingent on the amount of alcoholic beverages consumed by an individual;
 - (7) reduce drink prices after 11:00 p.m.;
 - (8) sell, serve or offer to sell or serve more than two drinks to a single consumer at one time;
 - (9) impose an entry fee, cover or door charge for the purpose of recovering financial losses incurred by the licensee or permittee because of reduced or low drink prices;
 - (10) conduct, sponsor or participate in, or allow any person on the licensed premises to conduct, sponsor or participate in, any game or contest to be determined by the quantity of alcoholic beverages consumed by an individual or group, or where alcoholic beverages or reduced price alcoholic beverages are awarded as prizes;
 - (11) engage in any practice, whether listed in this rule or not, that is reasonably calculated to induce consumers to drink alcoholic beverages to excess, or that would impair the ability of the licensee or permittee to monitor or control the consumption of alcoholic beverages by consumers.
- (d) The provisions of subsections (c)(1) through (c)(7) do not apply where:
 - (1) the permittee or licensee has entered into an agreement under the terms of which all or a portion of the licensed premises are utilized for a private party or a meeting of a particular organization; or
 - (2) a caterer's or other temporary permit or license is used for a private party or a meeting of a particular organization.
- (e) Notwithstanding the provisions of (c)(1) through (c)(7) of this rule, licensees and permittees may:
 - (1) offer free or reduced-price food or entertainment at any time, provided the offer is not based on the purchase of an alcoholic beverage;
 - (2) include alcoholic beverages as part of a meal or hotel/motel package;
 - (3) sell, serve or deliver wine by the bottle to individual consumers during the sale or service of a meal to the consumer;
 - (4) sell, serve or deliver alcoholic beverages in pitchers, carafes, buckets or similar containers to two or more consumers at one time.

Note: New Rule Adopted: October 23, 2000; Effective: November 16, 2000

VIRGINIA

No retail licensee shall engage in any of the following practices:

1. Conducting a happy hour between 9 p.m. of each day and 2 a.m. of the following day;
2. Allowing a person to possess more than two drinks at any one time during a happy hour;
3. Increasing the volume of alcoholic beverages contained in a drink without increasing proportionately the customary or established retail price charged for such drink;
4. Selling two or more drinks for one price, such as "two for one" or "three for one";
5. Selling pitchers of mixed beverages;
6. Giving away drinks;
7. Selling an unlimited number of drinks for one price, such as "all you can drink for \$5.00"; or
8. Advertising happy hour in the media or on the exterior of the licensed premises.

C. This regulation shall not apply to prearranged private parties, functions, or events, not open to the public, where the guests thereof are served in a room or rooms designated and used exclusively for private parties, functions or events.

(3 VAC 5-50-160)

WASHINGTON

WAC 314-52-110 Advertising by retail licensees.

(2) No retail licensee shall offer for sale any liquor for on premises consumption under advertising slogans such as "two for the price of one," "two for one drinks," "buy one--get one free," "two for \$____," nor any similar phrase or slogan where the express or implied meaning is that a customer, in order to receive a reduced price, would be required to purchase more than one drink or quantity of liquor at one time.