

Know your responsibilities for a

Beer Retailer's On-Premise License (BE) with a Brew Pub License (BP)



The License

Your license must be displayed in a publicly visible place at all times. It expires two (2) years from the date it was issued and it is your responsibility to renew it prior to expiration. The expiration date is printed on the face of your license. A courtesy renewal is mailed prior to expiration to your mailing address on file. The commission cannot guarantee that the renewal will be delivered by the post office. If you do not receive your renewal form, contact your local TABC office or you can obtain the form(s) from our website.

You now have the option to **<u>renew online</u>**!

There is a 30 day grace period to renew after expiration, however you may not resume selling alcoholic beverages until the renewal is filed and the appropriate fees and late fees are paid.

If you engage in activity during the grace period without the appropriate fees being paid, your license is subject to administrative action.



The License

You cannot sell or transfer your license or let anyone else operate with it. If you anticipate any type of change not limited to; trade name, address, officer, stockholder or entity please contact <u>your local TABC</u> <u>office</u> for direction and procedures prior to beginning any change.

Failure to comply with the statutes governing such changes may result in a delay of business operation or administrative action against your license.



Brew Pub License (BP)

Your Brew Pub License (BP) is a subordinate to your primary Beer Retailer's On-Premise License (BE) and will be printed on the face of the primary license.

The holder of a brew pub license is authorized to manufacture, brew, bottle, can, package, and label beer; and sell or offer without charge, on the premise of the brew pub, beer produced by the holder, in or from lawful containers, to the extent the sales or offers are allowed under the holder's primary license.

- The total annual production of beer produced under the license may not exceed 10,000 barrels.
- A restaurant may also be operated on the premises of the holder's brewery location.

A retail dealer's on premise license (BE) may NOT manufacture, brew, bottle, can, package, label, sell, or dispense free malt liquor or ale.



Brew Pub License (BP)

A brew pub is considered a retailer.

 The holder of a brew pub license may not hold or have an interest either directly or indirectly, or through a subsidiary, affiliate, agent, employee, officer, director, or other person, in a manufacturer's or distributor's license or any other license or permit in the manufacturing or wholesaling levels of the alcoholic beverage industry, regardless of the specific names given to permits or licenses in Title 3 of the Alcoholic Beverage Code.

A SWORN STATEMENT must be filed with the original application for a brew pub license stating that the applicant shall be engaged in the business of brewing and packaging beer in this state in quantities sufficient to operate a brew pub no later than six months after the date the license is issued. If the applicant is a corporation, a principle officer must sign the statement. The commission, administrator, or county judge may not approve a brew pub license to an applicant who does not submit the required sworn statement with the application for a license.



Tastings

The holder of a brew pub license (BP) may deliver beer manufactured by the holder to a location other than the holder's premise for the purpose of submitting the product for an evaluation at an organized tasting, competition, or review. At the tasting, competition, or review, a holder of a brew pub license may:

- Dispense without charge his product manufactured by the holder to a person attending the event for consumption on the premise of the event; and
- Discuss with the person attending the event, the manufacturing and characteristics of the beer.



Purchasing Beer

Beer may only be purchased from beer distributors:

- General Distributor's License (BB)
- Branch Distributor's License (BC)
- Local Branch Distributor's License (BD).
- Manufacturer's (BA) who also holds a Self Distribution permit (DB)
- Wine and Beer Retailer's Permit (BG) who also holds a Brew Pub License (BP)**

These sales are all subject to Cash Law.

**You may NOT purchase or acquire beer from any other type of retailer

Any beer damaged or determined to be unfit for human consumption while in the possession of the retailer, must be destroyed by the retailer and cannot be exchanged or returned to the seller for credit or refund.

You may not sell malt beverages classified as ale or malt liquor.



The Selling of Beer

A Beer Retailer's On Premise License (BE) is authorized to sell beer to consumers for consumption on or off the premises. The licensee may not sell beer for resale.

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- Dispense without charge his product manufactured by the holder to a person attending the event for consumption on the premise of the event; and
- Discuss with the person attending the event, the manufacturing and characteristics of the beer.

Neither you nor any of your employees may possess or consume any alcoholic beverages you are not authorized to sell.

• You may choose to allow your customers to bring in their own alcoholic beverages; however, you may NOTpossess, store, serve, or deliver those alcoholic beverages for or to the customers.



Hours of Sale

Beer may be sold or served during the following hours:

- 7:00 A.M. to 12:00 Midnight, Monday through Saturday
- 12:00 Midnight to 1:00 A.M., Sunday
- 12:00 Noon to 12:00 Midnight, Sunday (Beer may be served beginning at 10:00 A.M. with the service of food or if licensed premises are located at a festival, fair, concert, or sports venue).

If you are in an area for standard hours, no one, including you and your employees may consume any alcoholic beverages on your premises during the following hours:

- 12:15 A.M. to 7:00 A.M., Monday through Saturday
- 1:15 A.M. to 12:00 Noon Sunday (Beer may be consumed beginning at 10:00 A.M. with the service of food or if licensed premises are located at a festival, fair, or sports venue).



Hours of Sale

If you are in an area that is legal for extended hours and you also hold a Retail Dealer's On Premise Late Hours (BL) License, you may continue to sell or serve beer, for on premise consumption until 2:00 A.M.

If you are in an area for extended hours, no one, including you and your employees may consume alcoholic beverages on your premises during the following hours:

- 2:15 A.M. to 7:00 A.M., Monday through Saturday
- 2:15 A.M. to 12:00 Noon, Sunday (Beer may be consumed beginning at 10:00 A.M. with the service of food or if licensed premises are located at a festival, fair, concert, or sports venue).

*Brew pub hours are same a primary license inclusive of any late hours permit.



Sale to Distributors

The holder of a brew pub license may sell beer produced under the license to the holder of a General, Local, or Branch Distributor's license (BB, BD, BC).

- Sales to distributors requires a territorial agreement be filed with the commission as per Section 102.51 of the code.
- Beer products sold to distributors must be registered with the commission and have label approval for distribution and sale into the Texas marketplace.



Cash Law

Beer purchased from beer distributors (BB/BC/BD) or Manufacturer (BA) who also holds a Self Distribution permit (DB) are subject to cash law and must be paid for in cash (no credit), on or before delivery.

If you give a check in lieu of cash and it is dishonored, the seller of the beer is required by law to report any dishonored check to the TABC and the retailer's license will be placed on the statewide delinquent list until the local distributor notifies the TABC that the retailer has paid in full.

An action to cancel or suspend a license may be initiated for repeat violations of cash law.



Records and Reporting

Not later than the 15th day of each month, the holder of a brewpub license shall file a report with the commission that contains information relating to the sales made by the brewpub to a retailer during the preceding calendar month.

The commission shall by rule determine the information that is required to be reported under this section and the manner in which the report must be submitted to the commission.

The commission may require the report to contain the same information reported to the comptroller under Section 151.462, Tax Code.



Records and Reporting

A holder of a brewpub license shall make a monthly report of all beer manufactured, brewed and disposed of to the commission on forms prescribed by the administrator.

- Report C-234 shall be filed by the 15th day of each month for the preceding calendar month's production. Reports are required to be filed even if no business was conducted.
- Brewing logs reflecting dates, quantities, description and class of beer products manufactured or brewed must be maintained to support gallonage reported.
- Taxation is based on the gallonage rate of inventory depleted from inventory on a monthly basis. Beer is taxed at the rate of \$4.50 per gallon;
- Tax Discount If tax report C-234 is filed and taxes paid by the 15th of the month following the calendar month for which the report is filed, a 2% discount may be deducted from the gross taxes due.

The holder of a brewpub license is subject to being audited for tax and regulatory issues and all records related to production, inventories, exemptions claimed, promotional activities and sales must be maintained for a minimum of two years.



Invoices

Invoices for the purchase of all alcoholic beverages by the retailer must be maintained for a period of **four (4) years** from the date of delivery.

These invoices are subject to inspection by authorized representatives of the Texas Alcoholic Beverage Commission, or any peace officer.

Invoices must be signed by the retailer upon delivery of the product.



Employees

The minimum age for your employees to sell, prepare, serve or otherwise handle an alcoholic beverage is (18) eighteen. You may employ a person under the age of 18 to work as a cashier for transactions involving the sale of alcoholic beverages if the alcoholic beverages are served by a person 18 years of age or older.



Selling to Minors

You or your employees cannot sell, serve, or give alcoholic beverages to anyone under 21 years of age. The only defense in the Texas Alcoholic Beverage Code against a charge for selling an alcoholic beverage to a minor states, a person who sells a minor an alcoholic beverage does not commit an offense if the minor falsely represents himself to be 21 years old or older by displaying an apparently valid proof of identification that contains a physical description and photograph consistent with the minor's appearance, purports to establish that the minor is 21 years of age or older, and was issued by a governmental agency.

The proof of identification may include a driver's license or identification card issued by the Department of Public Safety, a passport, or military identification card.



Selling to Minors

You or your employees cannot permit anyone under 21 years of age to possess or consume alcoholic beverages on your premises except if you choose to allow a person under 21 years of age to possess or consume in the visible presence of their adult parent(s), legal age spouse, or court appointed guardian. If you choose to allow this activity you will have the legal responsibility to ensure that they remain in the visible presence of their adult parent(s), legal age spouse or court appointed guardian and that the legal age adult is in fact their parent(s), legal age spouse or court appointed guardian.

The Texas Alcoholic Beverage Commission and/or your local law enforcement agency often conduct underage compliance operations. Minors are sent into your establishment under the supervision of a peace officer in an attempt to purchase and obtain an alcoholic beverage to ensure voluntary compliance of state law.



Sale to Intoxicated Person

You may not sell, serve, or deliver an alcoholic beverage to an intoxicated person.

Your permit can be suspended or cancelled for the sale, service, or delivery of an alcoholic beverage to an intoxicated person. A seller-server training program is available and can help identify intoxicated persons.



Reporting Disturbances

You and your employees are responsible for the supervision of all persons permitted on the licensed premises. At the first sign of an argument or trouble between your customers, you should require those customers involved to immediately leave the premises. If necessary, call the local law enforcement authority to have them removed.

If a breach of the peace (a disturbance, fight or other violent act) occurs on your premises between any customer(s) and/or employee(s), you must notify the <u>local TABC office</u> as soon as possible, but **not later than five (5) calendar days after the incident**. If a shooting, stabbing or murder, or an incident involving serious bodily injury occurs on the licensed premise, you must notify the local TABC office **not later than 24 hours from the time of the incident**.

Any authorized representative of the Texas Alcoholic Beverage Commission or any other peace officer has the right and authority to enter your premise and make an inspection of your entire premises for violation of the Texas Alcoholic Beverage Code/Rules.



Signs

The commission will determine which sign you must post at your establishment from information provided on your original application, as well as your renewal applications. These <u>signs</u> are available from the Texas Alcoholic Beverage Commission at no charge, or you can choose to have the sign made as long as the sign meets the below size/word requirements.



WEAPONS WARNING SIGN – RED 51% – Required if you do not also hold a Food and Beverage Certificate issued by this agency and if over 51% of the gross receipts at the licensed premises are derived from alcoholic beverages.

WEAPONS WARNING SIGN – BLUE – You are required to post a sign at each entrance of your licensed premises informing persons that the unlicensed possession of a weapon on the premises is a felony.

NOTICE The unlicensed possession of a

weapon on these premises is a felony with a maximum penalty of 10 years imprisonment and a fine not to exceed \$10,000.

Texas Alcoholic Beverage Commission P.O. Box 13127 - Austin, Texas 78711-3127 TOLL FREE 1 - 888 - THE - TABC



Signs

HEALTH RISK WARNING SIGN – Must be displayed in a prominent place on your premise. The sign must be in both English and Spanish.





HUMAN TRAFFICKING HOTLINE NUMBER SIGN – Must be displayed in a prominent place on your premise, unless you hold a food and beverage permit. The sign must be in both English and Spanish.

PUBLIC INFORMATION/COMPLAINT SIGN – Must be posted in a prominent place on your premises. The sign shall be no smaller than 6" X 3 $\frac{1}{2}$ ".





Requirements of a Licensed Premise

The commission or administrator may suspend for not more than 60 days or cancel an original or renewal retail dealer's on- or off-premise license if it is found, after notice and hearing, that the licensee does not have at his licensed premises:

- Running water, if it is available; and
- Separate toilets for both sexes which are properly identified, or,
- If the premises is a restaurant that derives less than 50 percent of its gross revenue from the sale of alcohol, is 2,500 square feet or less, and has an occupancy rating of 50 persons or less, at least one toilet that is properly identified.



Educational Programs

The Texas Alcoholic Beverage Commission has developed <u>educational programs</u> to assist in your efforts to voluntarily comply with the law. Agents are available to come to your place of business to help instruct you and your employees concerning the laws that apply to your business. Your <u>local TABC Office</u> will have information concerning this project.



Seller-Server Training

The commission approves <u>seller-server training programs</u> sponsored by private businesses and issues certificates to individuals who successfully complete the program. The program covers the laws concerning the sale or service of alcoholic beverages to minors and intoxicated persons, as well as techniques used to prevent such sales.

Depending on the prior violation history of your permit, the actions of an employee may not be attributable to the employer and the employer may claim an exemption from administrative action if:

- 1. The employer requires only those engaged in the sale, service, or delivery, including managers, to successfully complete a commission-approved seller-server training program within 30 days of their initial employment,
- 2. The employee that has committed the violation has completed the program and has a current certificate prior to the violation, and
- 3. The employer has not directly or indirectly encouraged the employee to violate such law.



Seller-Server Training

The commission shall require the permittee to produce evidence indicating that the above three criteria were met. Such evidence shall indicate that the permittee had adopted policies.

These policies and procedures should be designed to prevent the sale, service and consumption of alcoholic beverages by minors and sale or service to intoxicated persons. The policy should also express a strong commitment by the permittee to prohibit such sales, service and consumption.

In addition, the permittee should have had the employee acknowledge in writing that they have read and understood the policies and procedures.

A current list of commission approved seller-server training schools is available on our website.



Local Fees and Taxes

The governing body of an incorporated city or town may levy and collect a fee not to exceed one-half of the state fee for each license issued for premises located within the city or town. The commissioners court of a county may levy and collect a fee equal to one-half the state fee for each license issued for premises located within the county. Those authorities may not levy or collect any other fee or tax from the licensee except general ad valorem taxes, the hotel occupancy tax levied under Chapter 351, Tax Code, and the local sales and use tax levied under Chapter 321, Tax Code. The commission or administrator may cancel a license if it finds the licensee has not paid a fee levied under this section. A licensee who sells an alcoholic beverage without first having paid a fee levied under this section commits a misdemeanor punishable by a fine of not less than \$10 nor more than \$200.



Cancel or Deny License

The commission or administrator may cancel or deny a license for the retail sale or service of alcoholic beverages, if it finds that the license holder or applicant has not paid delinquent ad valorem taxes due on that permitted premises or due from a business operated on that premises to any taxing authority in the county of the premises. A license holder or applicant is presumed delinquent in the payment of taxes due if the license holder or applicant:

- 1. Is placed on a delinquent tax roll prepared under Section 33.03, Tax Code;
- 2. Has received a notice of delinquency under Section 33.04, Tax Code; and
- 3. Has not made payment required under Section 42.08, Tax Code.



Refusal of Issuance

The commission or administrator shall refuse to issue for a period of three (3) years a permit or license for any location to an applicant who submitted a prior application that expired or was voluntarily surrendered before the hearing on the application was held on a protest involving allegations of prostitution, a shooting, stabbing, or other violent act, or an offense involving drugs or trafficking of persons.

The county judge, commission or administrator shall refuse to issue for a period of one (1) year after cancellation a retail dealer's on premise license (BE) for a premises where a license or permit has been cancelled during the preceding 12 months as a result of a shooting, stabbing, or other violent act, or as a result of an offense involving drugs, prostitution or trafficking of persons.



Bonds

Forfeiture of Conduct Surety Bond (Rule 33.24):

- When a license or permit is cancelled or there are three or more violations of the Alcoholic Beverage Code while the conduct surety bond is in place, the commission shall notify the licensee or permittee, in writing, of its intent to seek forfeiture of the bond.
- Licensee or permittee may, within thirty days of the notice request a hearing on the question of whether the criteria for the forfeiture of the bond have been satisfied.
- Upon entry of final order against the licensee or permittee in the hearing, the commission shall notify the surety company, bank or credit union to remit to the state the amount of surety required within ten days after notification.



Bonds

Forfeiture of Performance Bond

Forfeiture of Performance Bond (Wine and Beer Retailer's Permit or Beer Retailer's Permit without a Food and Beverage Certificate in **Dallas, Bexar, Harris and Tarrant Counties** (Code 11.61(b-1):

When a violation of the Alcoholic Beverage Code results in a suspension or civil penalty, the \$2,000 performance bond is **forfeited** to the commission.

• Before the suspended license or permit may be reinstated, the licensee or permittee must furnish a second surety bond in an amount of **\$4,000**.

If the same license or permit is suspended a second time, the bond is again **forfeited**.

• Before the suspended license or permit may be reinstated, the licensee or permittee must furnish a third surety bond in the amount of **\$6,000**.



Bonds

If the same license or permit is suspended a third time, the bond is again **forfeited** and the license or permit shall be cancelled by the commission. A hearing cannot be requested on the forfeiture of a performance bond.

NOTE: A Performance Bond is not required if the BG or BE is issued to a fraternal or veterans organization.

If a conduct surety bond is in place at the time of the third forfeiture of the performance bond, it too shall be forfeited.



Cancellation of Bond by Bond Company

33.24(k)(1)... "Surety may terminate liability by giving the proper 30 day written notice..." — a Notice of Cancellation is sent to the commission notifying the bond is being cancelled. Letters are sent by this office notifying applicant to provide another bond and a 30 grace period to provide is given. Permit will be cancelled if they fail to maintain surety.



Congratulations!



Certificate of Completion

This certifies that:

Name: _____

Has successfully completed the Responsibilities Course for a Beer Retailer's On-Premise License (BE) with a Brew Pub License (BP) offered by the Texas Alcoholic Beverage Commission.

Business Trade Name: _____

Business Location Address:

Check this box if you would like additional information in regards to your responsibilities. By signing this certificate you acknowledge that you have completed the Responsibilities Course for a Beer Retailer's On-Premise License (BE) with a Brew Pub License (BP).

Applicant Signature/Title/Position

Press the Print button to print your Certificate of Completion. After the print dialogue box opens, change "Pages to Print" from "All" to "page 35" to print your certificate.