

Know your responsibilities for a

Mixed Beverage Permit (MB) with a Brewpub License (BP)



The Permit

Your permit must be displayed in a publicly visible place at all times. It is your responsibility to renew it prior to expiration. The expiration date is printed on the face of your permit. **Your permit is valid for two** (2) years from date of issuance. You will receive a reminder POSTCARD prior to expiration.

<u>RENEW ONLINE</u> or you may download a <u>renewal application</u> from our website.

Licensee/permittees are granted a **30 day** grace period in which they can renew, **you may not resume** selling alcoholic beverages until the renewal is filed and the appropriate fees and late fees are paid.

• A \$100 late fee will be assessed for each permit including subordinates if renewed after the expiration date.

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



The Permit

You cannot sell or transfer your permit 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 your <u>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 permit.



Brewpub License (BP)

Your Brewpub License (BP) is a subordinate to your primary Mixed Beverage Permit (MB) and will be printed on the face of the primary permit.

The holder of a brewpub license is authorized to manufacture, brew, bottle, can, package, and label malt liquor, ale, and beer; and sell or offer without charge, on the premise of the brew pub, malt liquor, ale or 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 or permit.

- The total annual production of beer produced under the license may not exceed 10,000 barrels.
- Malt beverages manufactured may be sold for off premise sales in lawful containers not exceeding ¹/₂ barrel.
- A restaurant may also be operated on the premises of the holder's brewery location.

The holder of a brewpub license may not sell an alcohol beverage for resale.



Brewpub License (BP)

A brewpub 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 Alcohol

Distilled spirits may only be purchased from holders of a:

 Package Store Permit (P) that holds a Local Distributor's Permit (LP)** and is located in the same county in which the retailer's permit is located. If a local distributor is not located in your county, then you must purchase from a local distributor in the county nearest you.

Wine may only be purchased from holders of a:

- Wholesaler (W) or
- General Class B Wholesaler's Permit (X)
- Texas Winery (G), or a
- Package Store Permit (P) which also holds a Local Distributor's Permit (LP)**



Purchasing Alcohol

Ale and malt liquor may be purchased from holders of a:

- Wholesaler's Permit (W)
- General Class B Wholesaler's Permit (X)
- Local Class B Wholesaler's Permit (LX)
- Package Store Permit (P) that also holds a Local Distributor's Permit (LP)**
- Brewer's Permit (B) who also holds a Brewer's Self-Distribution Permit (DA)
- Wine and Beer Retailers Permit (BG) with a Brewpub License (BP) authorized to sell to retailers**

These sales are all subject to Credit Law.

****Your may NOT purchase or acquire ale, malt liquor from any other retailer**



Purchasing Alcohol

Beer may only be purchased from holders of:

- General Distributor's License (BB)
- Branch Distributor's License (BC)
- Local Distributor's License (BD)
- Manufacturer's License (BA) who also holds a Self-Distribution License (DB)
- Package Store Permit (P) who also holds a Local Distributor's Permit (LP) with a Retail Dealer's Off-Premise License (BF)**
- Wine and Beer Retailers Permit (BG) with a Brewpub License (BP) authorized to sell to retailers**

These sales are subject to Cash Law

Alcohol beverages 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 purchase or acquire beer from any other type of retailer.**



Selling of Alcohol

The holder of a mixed beverage permit is authorized to sell beer, wine and distilled spirits, including mixed drinks to the consumer for **consumption on the premises**.



Substitution of Brand

Substitution of brand without the consent of the consumer is prohibited. An agent, servant or employee commits an offense if he/she substitutes one brand of alcoholic beverage for a brand that had been specifically requested by a consumer, unless the consumer is notified and consents to the substitution.

No holder of a mixed beverage permit may refill with any substance a container which contained distilled spirits.

A permittee who violates this section of the Code is also liable in a civil suit to a consumer for damages resulting from the substitution and for attorney's fee and cost of action.



Hours of Sale and Consumption

Alcoholic beverages 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 (Alcoholic beverages may be sold 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 on Sunday; (Alcoholic beverages may be sold 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).



Hours of Sale and Consumption

If you are in an area that is legal for extended hours, and you also hold a Mixed Beverage Late Hours Permit (LB), you may continue to sell or serve those alcoholic beverages until 2:00 A.M.

If you are in an area for extended hours, no one 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; (Alcoholic beverage 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 sport venue)



Sale to Wholesalers/Distributors

SALES TO DISTRIBUTORS:

The holder of a brewpub license may sell beer produced under the license to the holder of a general, local, or branch distributor's license (BB, BC, BD).

- 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.

SALES TO WHOLESALERS:

The holder of a brewpub license may sell ale and malt liquor to the holder of a wholesaler's (W), general class B wholesaler's (X) or local class B wholesaler's (LX).

- Sales to wholesalers requires a territorial agreement be filed with the commission as Section 102.81 of the code.
- Ale and malt liquor products sold to wholesalers must be registered with the commission and have label approval for distribution and sale into the Texas marketplace.



Invoices

All alcoholic beverages on your premises must be covered by invoice and these invoices must remain on your premises for a period of four (4) years.

- 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.
- Distilled spirits on your premises must have an identification stamp affixed on each container. Any distilled spirits not bearing an identification stamp are in violation of the law and subject to seizure.
- Immediately after emptying a distilled spirit container the identification stamp must be mutilated (serial number scratched). A distilled spirit container may not be refilled with any substance.



Invoices

You may not permit anyone to bring alcoholic beverages onto your premises. Only those alcoholic beverages invoiced to you can be brought into the premises. Alcoholic beverages are not permitted to leave your premises.

The remaining portion of an open bottle of wine ordered with food is allowed to be removed from the premises by the purchaser.

An open alcoholic beverage served in a hotel may be permitted to leave the diagramed licensed premises if it is to be consumed on the hotel premises.



Cash Law

Beer purchased from beer distributors (BB/BC/BD) or Manufacturer (BA) who also holds a Self Distribution permit (DB) are subject tocash 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 commission.

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



Credit Law

If credit is extended when you purchase alcoholic beverages (**ale, malt liquor, distilled spirits or wine**) from a seller:

These alcoholic beverages,

- If purchased between the 1st and 15th of the month, must be paid for by the 25th of the month.
- If they are purchased between the 16th and the last day of the month, they must be paid for by the 10th of the following month.
- The retailer is considered delinquent if payment is not received by the seller on or before the 4th business day following the due date (10th or 25th).



Credit Law

If not paid timely, the seller is required by statute to report this non-payment to the commission and your permit will be placed on the agency's internet-based <u>credit law delinquent list</u> until the reporting seller notifies the commission that you have paid in full.

While the retailer is on the credit law delinquent list, no seller is permitted to sell to the retailer.

An action to cancel or suspend a permit may be initiated for repeat violations of being on the credit law delinquent list.



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 a retail 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 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.



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**.



Inspections

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(s) 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. The sign will be provided to you at no charge from the Texas Alcoholic Beverage Commission.

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. Signs are provided to you at no charge from the Texas Alcoholic Beverage Commission.





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. Signs are provided to you at no charge from the Texas Alcoholic Beverage Commission.

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





Outdoor Advertising

You may not advertise any prices which may be seen from the street on any sign, billboard, marquee, or any display on or outside of the building.

Advertising signs displaying prices may not be seen from outside of the building.



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 <u>approved seller-server training schools</u> is available on our website.



Local Fees and Taxes

After your 3rd year in business, the governing body of a city or town may levy and collect a fee not to exceed one-half the state fee for permits 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 of the state fee for each permit issued for premises located within the county.

Those authorities may not levy or collect any other fee or tax from the permittee 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 permit if it finds that the permittee has not paid a fee levied as described above. A permittee who sells an alcoholic beverage without first having paid a fee levied as described commits a misdemeanor punishable by a fine of not less than \$10 nor more than \$200.



Cancel or Deny Permits

The commission or administrator may cancel or deny a permit for the retail sale or service of alcoholic beverages, including a permit held by the holder of a food and beverage certificate, if it finds that the permit 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 permit holder or applicant is presumed delinquent in the payment of taxes due if the permit 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 commission or administrator shall refuse to issue for a period of one (1) year after cancellation a mixed beverage permit 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 and human trafficking.



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.



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 Mixed Beverage Permit (MB) with a Brewpub 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 Mixed Beverage Permit (MB) with a Brewpub 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 38" to print your certificate.