

Know your responsibilities for a

Wine and Beer Retailer's Permit (BG) with a Brew Pub 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.

RENEW ONLINE or you may download a renewal application 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.



Brew Pub License (BP)

Your Brew Pub License (BP) is a subordinate to your primary Wine and Beer Retailer's Permit (BG) and will be printed on the face of the primary permit.

The holder of a brew pub 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 ½ barrel.
- A restaurant may also be operated on the premises of the holder's brewery location.



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 may deliver malt liquor, ale, or 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 malt liquor, ale, or beer.



Purchasing

Wine may only be purchased from a:

- Texas Winery (G), or a
- Wholesaler (W)
- General Class B Wholesaler (X)
- Local Class B Wholesaler (LX)

Ale and malt liquor purchased from a:

- Wholesaler (W)
- General Class B Wholesaler (X)
- Local Class B Wholesaler (LX)
- Craft Brewery (B) that holds a Brewer's Self-Distribution permit (DA)
- Wine and Beer Retailer's permit (BG) that also holds a Brew pub license (BP)**

** You may NOT purchase or acquire wine, ale or malt liquor from any other retailer.

These sales are all subject to Credit Law



Purchasing

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)**

**You may NOT purchase or acquire beer from another 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.

These sales are subject to Cash Law.



The Selling of Wine, Beer and Malt Liquor

A Wine and Beer Retailer's Permit (BG) is authorized to sell beer, malt liquor, ale and wine containing up to 14% or 17% alcohol by volume to the consumer for consumption on or off the premises. The percentage of alcohol by volume available is determined by the local option election in the area where the premise is located. The percentage you are authorized to sell will be printed on the face of the permit. The permittee is also authorized to sell for on premise consumption only, traditional port or sherry with an alcohol content of not more than 24% by volume.

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 not possess, store, serve, or deliver those alcoholic beverages for or to the customers.



Hours of Sale

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 served beginning at 10:00 A.M. with the service of food or if permitted 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 (Alcoholic beverages may be served beginning at 10:00 A.M. with the service of food or if permitted premises are located at a festival, fair, concert, 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 License (BL), you may continue to sell or serve those alcoholic beverages that you are authorized to sell 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 (Alcoholic beverage may be served beginning at 10:00 A.M with the service of food or if permitted premises are located at a festival, fair, concert, or sports venue).

^{*}Brew Pub hours are same as primary permit inclusive of any late hours permit held.*



Sales to Retailers

The holder of a brew pub license (BP) who holds a wine and beer retailer's permit (BG) and who sells alcoholic beverages manufactured only on the brew pub's premises may:

- Sell malt liquor or ale produced under the license to those retailers or qualified persons to whom the holder of a general class B wholesaler's permit (X) may sell malt liquor or ale under Section 20.01; and
- Sell beer produced under the license to:
- Those retailers to whom the holder of General Distributor's License (BB) may sell beer under Section 64.01; or
- Qualified persons to whom the holder of General Distributor's License (BB) may sell beer for shipment and consumption outside the state under Section 64.01.

The total amount of beer sold under this section to persons in this state may not exceed 1,000 barrels annually for each licensed brew pub location or 2,500 barrels annually for all brew pubs operated by the same licensee.



Sales to Retailers

Sales of malt liquor or ale produced under the brew pub license (BP) has the same authority and is subject to the same requirements that apply to a sale made by the holder of a general class B wholesaler's permit (X). SALES ARE SUBJECT TO CREDIT LAW

Sales of beer produced under the brew pub license (BP) has the same authority and is subject to the same requirements of a general distributor's license (BB) that apply to a sale made by the holder. SALES ARE SUBJECT TO CASH LAW.



Sales to Wholesalers/Distributors

SALES 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, 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 brew pub 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 per 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.



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 commission.

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



Credit Law

Wine may only be purchased from a winery (G) and wholesaler (W, X, LX) and is subject to Credit Law. Ale and malt liquor purchased from a wholesaler that does not also hold a Distributor's (BB/BC/BD) license is subject to credit law.

- If credit is extended, 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.

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

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



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.



Records and Reporting

Not later than the **15th day of each month**, the holder of a brew pub license shall file a report with the commission that contains information relating to the sales made by the brew pub 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 brew pub 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; ale and malt liquor is taxed at the rate of \$6.14 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 brew pub 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.



Records and Reporting

Reporting of sales tax

- The Tax Code requires certain brewpubs to report sales tax and other information to the Retail Inventory Tracking System (RITS).
- Applies to brewpubs with a wine & beer retailer's permit AND whose sale of beer and ale consists only of beer and ale made on the premises.
- RITS is found on the website for the Texas Comptroller at https://comptroller.texas.gov/



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 18 to work as a cashier for transactions involving the sale of alcoholic beverages if:

- The alcoholic beverage is served by a person 18 years or older, and
- The sale or service of alcoholic beverages is less than 60 percent of the gross receipts



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 permitted 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.

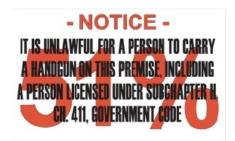
If a breach of the peace (a disturbance, fight or other violent act) occurs on your premises between any customer(s) and/or employee(s), you must notify the local TABC office as soon as possible, but not later than five (5) calendar days after the incident. If a shooting, stabbing or murder, or an incident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

Wine and Beer Retailer's Permit with a Brew Pub License (BG/BP)

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 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.

P.O. Box 13127 - Austin, Texas 78711-31

Wine and Beer Retailer's Permit with a Brew Pub License (BG/BP)

Signs

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



HEALTH RISK WARNING SIGN



- Drinking any type of alcohol while pregnant can hurt your baby's brain, heart kidneys and other organs and can cause birth defects.
- The safest choice is not to drink at all when you are pregnant or trying to become pregnant.
- If you might be pregnant, think before you drink.

AVISO SOBRE RIESGOS DE SALUD

- Beber cualquier tipo de alcohol cuando está embarazada puede hacerles daño al cerebro, al corazón a los riñones y a otros órganos de su bebé y puede causar defectos de nacimiento
- Lo más seguro es no beber nada de alcohol cuando está intentando quedar embarazada o ya lo está.
- Si es posible que esté embarazada, piénselo antes de beber. or more information on birth defects go to: www.dshs.state.tx.us



IS A CRIME UNDER TEXAS LAW. CALL THE NATIONAL HUMAN TRAFFICKING HOTLINE 1-888-373-7888 YOU MAY REMAIN ANONYMOUS.

- ADVERTENCIA -

LA OBTENCIÓN DE SERVICIOS O TRABAJO FORZADO ES UN DELITO SEGÚN LA LEY DE TEXAS, LLAME A LA LÍNEA DIRECTA NACIONAL DE TRÁFICO HUMANO AL 1-888-373-7888 USTED PUEDE PERMANECER ANÓNIMO.

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 1/2" and state the following: "If you have a complaint about the sale or service of alcoholic beverages in this establishment, please contact the Texas Alcoholic Beverage Commission at P. O. Box 13127, Austin, Texas, 78711-3127, or phone 1-888-THE-TABC complaints@tabc.texas.gov".

If you have a complaint about the sale or service of alcoholic beverages in this establishment, please contact the Texas Alcoholic Beverage Commission

P.O. Box 13127 Austin, Texas 78711-3127 or phone 1-888-THE-TABC





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 within view of its employees. 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.

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 Permit

The commission or administrator may cancel or deny a permit for the retail sale or service of alcoholic beverages, 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 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 or a wine and beer retailer's 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 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.



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 Bexar, Dallas, 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.



Forfeiture of Performance Bond

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 needed 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!

This certifies that:

Wine and Beer Retailer's Permit with a Brew Pub License (BG/BP)

Certificate of Completion

Nan	ne:		
	-	pleted the Responsibilities Course for a Wine and Beer Retailense (BG/BP) offered by the Texas Alcoholic Beverage Commi	
Bus	iness Trade Name:		
Bus	iness Location Addre	ss:	
	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 Wine and Beer Retailer's Permit with a Brew Pub License (BG/BP). Applicant Signature/Title/Position	Press the Properties of Completic the print dia opens, char to Print" from "page 40" to your certification opens."
		Date	your ocrumo

Press the Print button to print your Certificate of Completion. After the print dialogue box opens, change "Pages to Print" from "All" to "page 40" to print your certificate.