

Know Your Role As A

General or Branch Distributor

TABC wants your business to prosper. One part of your success is understanding how Texas law affects your business. We've designed this course to provide the basics of what you can and can't do with your business. This is a summary of your responsibilities and isn't meant to be an exhaustive list. Please see the <u>Alcoholic Beverage</u> <u>Code</u> (Code), <u>TABC Administrative Rules</u> (Rules) and our <u>Marketing Practices Advisories</u> for more details.

What Can I Do With My License?

Purchasing

You can purchase malt beverages from Brewers (BW), Nonresident Brewers (BS), Brewpubs (BP) and other distributors.

Sales

- You can sell malt beverages in original sealed containers to any retailer and authorized outlets located on any installation of a national military establishment.
- You may solicit and take orders directly from retailers for malt beverages
- You may enter a retailer's establishment to determine the brands offered for sale, and suggest or promote the sale of their brands.
- You can sell and deliver malt beverages at any time except 1 a.m. to noon Sundays.

All sales to retailers are subject to restrictions known as "cash law." For more information, see TABC's Cash and Credit Law Module.

What Can I Do With My License?

Restocking and Rotating Products

Employees are authorized to restock and rotate sales displays at a retail establishment. This includes the retailer's storage areas, sales floor, display counters or coolers.

Transport and storage

- Transport malt beverages through a dry area to the place of delivery in a wet area so long as the vehicles are owned/leased and operated by your business.
- Share vehicles and warehouses with other distributors so long as each distributor keeps its malt beverages stored and controlled separately.
- Cannot co-mingle your inventory with another distributor. Each distributor must have a territorial agreement in place with their respective manufacturers for the brands stored at the location.

If you hold a Branch Distributor's License (BC), you can do the same activities as a holder of a General Distributor's License (BB).

What Can I Do With My License?

Branch Distributor's License (BC)

This license allows you to set up a satellite distributorship in another county and expires on the same day as your primary General Distributor's License (BB).

- You can do the same activities as your primary license.
- Sell malt beverages to private clubs located in wet areas without having to secure a prior order.
- Retailers can come pick up their malt beverages from this location.

Can I Exchange a Retailer's Products, or Give a Credit or Refund?

No. Some exceptions may apply:

- You may replace alcoholic beverages with the same or similar product if **one** of the following applies:
 - Product was damaged on or before delivery by the wholesaler.
 - Product was unfit for consumption when delivered to the retailer.
 - On request, TABC may determine that a consumer safety issue occurred during the product's manufacturing process.
- A manufacturer and distributor may jointly remove and replace malt beverages that become unfit for consumption due to a natural disaster. See Code Section 109.09.

You can issue a refund or credit if the delivery was inconsistent with the order originally placed by the retailer and you:

- Issue a refund or credit within 48 hours after the wholesaler made the first delivery.
- State the reason and date of the exchange on the credit memo or exchange receipt.



What Are Employees Allowed To Do at Tasting Events?

Employees **can** engage with the consumer at a retailer's location during a tasting **but they can't**:

- Attend a tasting at an on- and off-premise retailer's location.
- Answer questions along with a Texas brewer or nonresident seller.
- Purchase malt beverages for consumers at an on-premise retailer's location in your employee's presence (e.g., bar spend).
- Participate in the opening or pouring of the product, and the purchases cannot be excessive.

For more information on allowable activities, see all applicable <u>TABC Marketing Practices</u> <u>Advisories</u>

and Marketing Practices Module.

What Else Do I Need to Know?

License and Sign Posting

Your license must be always displayed in a publicly visible place. TABC will determine which <u>signs</u> you must post at your establishment from information provided on your original application, as well as your renewal applications.

Employees

The minimum age is 18 for your employees to prepare, serve or otherwise handle an alcoholic beverage.

License Renewal

Your license is valid for two years from date its issued. You're responsible for renewing your license before it expires. You can apply for renewal starting 30 days before your license's expiration date. TABC will send you a notice of renewal.

TABC Inspections

Any authorized TABC representative or any other peace officer has the right and authority to enter and inspect your entire premises for violation(s) of the Texas Alcoholic Beverage Code or TABC Rules.

Inspection refusal is a violation of the Alcoholic Beverage Code and a class A misdemeanor.



What Other Modules Should I Take?

You've now completed the Know Your Role module. Please proceed to the following modules for additional guidance for your license.

- **Excise Tax Module** How do I file my excise tax reports?
- Cash and Credit Law Module What is cash and credit law?
- Marketing Practices Module What marketing promotions and advertisements are allowed?



Questions? Please contact your local TABC office.

tabc.texas.gov/contact-us/