



## **INDUSTRY ADVISORY**

### **Ownership of Licensed Beer Manufacture by Holder of On-Sale Licenses**

Recently enacted legislation (Senate Bill 796, Statutes 2015, effective January 1, 2016) amended Business and Professions Code 25503.28(a) in two substantial ways:

- 1) This amendment extends a tied house exception to allow a holder of no more than six on-sale licenses, or any officer, director, employee, or agent of the licensee, to hold a Beer Manufacturer's license (type 01). Prior to this amendment, this exception was extended to Small Beer Manufacturers (type 23) only.
- 2) This amendment prohibits any beer manufacturer (Type 01 or Type-23), regardless of the number of beer manufacturer licenses that are held by the beer manufacturer (alone, under common ownership with any other licensed beer manufacturer, or under common ownership with any officer, director, employee, or agent of that beer manufacturer), from exercising (alone or in common) retail privileges at more than six locations.

These six retail locations includes any combination of both retail licenses and duplicate licenses for branch offices of beer manufacturers issued under Section 23389(c).

Retail privileges exercised at the licensed premises of production pursuant to Section 23357 are not included in the calculation of the six retail locations referenced above.