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A BILL
23-277

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA



To amend Title 25 of the District of Columbia Official Code to increase the alcohol by volume ratio for wine from 15% to 21%, to allow wine manufacturers, wine pub permit holders, wholesalers, and retailers to manufacture, distribute, and sell wine or other alcoholic beverages, excluding beer, with no more than 21% alcohol by volume, holders of wine pub permits and distillery pub permits to deliver alcoholic beverages manufactured at the licensed premises directly to consumers for off-premises consumption, breweries to sell and deliver beer brewed in collaboration with another brewery to consumers for off-premises consumption in crowlers, holders of manufacturer’s licenses, class C, owning more than one location to transport products between the locations, persons to manufacture wine and beer at their residence, holders of a manufacturer’s license, class A, to sell and deliver wine manufactured in collaboration with another winery to consumers for off-premises consumption in growlers and crowlers, to amend pub permits to pub endorsements, to establish wine pub endorsement, brew pub endorsement, and distillery pub endorsement fees, to allow a licensee to possess more than one pub endorsement, holders of a wine pub endorsement, distillery pub endorsement, or brew pub endorsement to manufacture alcoholic beverages at a location other than the licensed location, to repeal the brew pub permit fee, and to require manufacturers to comply with the window lettering posting requirement.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Manufacturer and Pub Permit Parity Amendment Act of 2019”.

Sec. 2. Title 25 of the District of Columbia Official Code is amended as follows:

(a) Chapter 1 is amended as follows:

(1) The table of contents for Subchapter II is amended as follows:

(A) A new section designation is added to read as follows:

32 “§ 25-116a. Pub endorsement.”.

33 (B) The section designation for § 25-117 is amended to read as follows:

34 “§ 25-117. Brew pub endorsement requirements and qualifications.”.

35 (C) The section designation for § 25-124 is amended to read as follows:

36 “§ 25-124. Wine pub endorsement.”.

37 (D) The section designation for § 25-125 is amended to read as follows:

38 “§ 25-125. Distillery pub endorsement.”.

39 (2) Section 25-101(56) is amended by striking the figure “15%” and inserting the
40 figure “21%” in its place.

41 (3) Section 25-110 is amended as follows:

42 (A) Subsection (a) is amended as follows:

43 (i) Paragraph (2)(C)(i) is amended by striking the phrase
44 “growlers” both times it appears and inserting the phrase “growlers and crowsers” in its place.

45 (ii) Paragraph (3) is amended by adding a new subparagraph (H) to
46 read as follows:

47 “(H) A holder of a manufacturer’s license, class C, that owns 2 or more
48 locations shall be permitted to transport products from one location to the other location that the
49 licensee owns.”.

50 (iii) A new paragraph (4) is added to read as follows:

51 “(4) A manufacturer’s license shall not be required for persons who manufacture

52 beer or wine at their residence; provided, that the wine or beer is for personal consumption only
53 and not for resale.”.

54 (B) A new subsection (a-1) is added to read as follows:

55 “(a-1)(1) Subject to paragraph (2) of this subsection, a holder of a manufacturer’s license,
56 class A, that collaborates with another winery, regardless of jurisdiction, to use the wine
57 manufactured at the licensed premises or the licensee’s wine recipe to produce a new wine at
58 another location may sell and deliver the new wine to a consumer in growlers and crowlers for
59 off-premises consumption; provided, that the growlers and crowlers shall not be opened after
60 sale or the contents consumed on the premises sold.

61 “(2) The container containing the wine produced by the holder of the
62 manufacturer’s license, class A, in collaboration with another winery, shall contain the names of
63 both wineries.”.

64 (4) A new section 25-116a is added to read as follows:

65 “§ 25-116a. Pub endorsement.

66 “(a) An on-premises retailer’s license, class C or D, may apply for one or more pub
67 endorsements in accordance with §§ 25-117, 25-124, or 25-125.

68 “(b) The following minimum annual fees for a pub endorsement shall apply:

- | | | |
|----|-------------------------|------------|
| 69 | “(1) 1 pub endorsement | \$5,000 |
| 70 | “(2) 2 pub endorsements | \$7,500 |
| 71 | “(3) 3 pub endorsements | \$9,000.”. |

72 (5) Section 25-117 is amended as follows:

73 (A) The heading is amended to read as follows:

74 “§ 25-117. Brew pub endorsement requirements and qualifications.”.

75 (B) Subsection (a) is amended to read as follows:

76 “(a)(1) A brew pub endorsement shall authorize the licensee to brew malt beverages at
77 one location for consumption at a licensed restaurant, tavern, multipurpose facility, hotel, or
78 nightclub and for sale to licensed wholesalers for the purpose of resale to other licensees.

79 “(2) Except as provided for in paragraph (3), the location used to brew malt
80 beverages shall be on or immediately adjacent to the on-premises retailer’s license, class C or D,
81 licensed to the brew pub owner in accordance with subsection (b) of this section.

82 “(3) A licensee holding a brew pub endorsement may brew malt beverages
83 at a location which is not on or immediately adjacent to the on-premises retailer’s license, class
84 C or D; provided, that:

85 “(A) The licensee obtains an off-site production permit as defined by
86 regulation;

87 “(B) The location of the off-site production permit is within 600 feet of the
88 licensed establishment; and

89 “(C) No on-premises or off-premises sales occur at the off-site production
90 location.

91 “(4) The minimum annual fee for an off-site production permit shall be \$500 per

92 year.”.

93 (C) Subsection (a-1) is amended by striking the word “permit” and
94 inserting the word “endorsement” in its place.

95 (D) Subsection (a-2) is amended as follows:

96 (i) Strike the word “permit” wherever it appears and insert the
97 word “endorsement” in its place.

98 (ii) Paragraph (2)(B) is amended by striking the word “business”
99 and inserting the word “operating” in its place.

100 (E) A new subsection (a-3) is added to read as follows:

101 “(a-3) All holders of brew pub endorsements may also sell beer brewed at the pub
102 location licensed by the Board to patrons in crowlers, barrels, cans, kegs, sealed bottles, or other
103 closed containers for off-premises consumption.”.

104 (F) Subsection (b) is amended as follows:

105 (i) Strike the word “permit” and insert the word “endorsement” in
106 its place.

107 (ii) Strike the phrase “an on-premises restaurant, tavern,
108 multipurpose facility, hotel, or nightclub retailer’s license, class C or D” and insert the phrase
109 “on-premises retailer’s license, class C or D” in in its place.

110 (G) Subsection (c) is amended to read as follows:

111 “(c) A brew pub endorsement shall be cancelled or revoked if the on-premises retailer’s

112 license, class C or D, ceases to operate or the license is revoked or cancelled.”.

113 (H) Subsection (d) is amended by striking the word “permit” and inserting
114 the word “endorsement” in its place.

115 (I) Subsections (e) and (f) are amended by striking the word “permit”
116 wherever it appears and inserting the word “endorsement” in its place.

117 (6) Section 25-124 is amended as follows:

118 (A) The heading is amended to read as follows:

119 “§ 25-124. Wine pub endorsement.”.

120 (B) Subsection (a) is amended to read as follows:

121 “(a) A wine pub endorsement shall authorize the licensee to manufacture wine containing
122 no more than 21% alcohol by volume at one location from grapes, fruit, or fruit juices
123 transported to the licensed on-premises retailer’s license, class C or D, for on-premises
124 consumption and for sale to the licensed wholesalers for the purpose of resale to other
125 licensees.”.

126 (C) A new subsection (a-1) is added to read as follows:

127 “(a-1) A wine pub endorsement issued in accordance with subsection (a) shall authorize
128 the licensee to manufacture wine containing no more than 21% alcohol by volume.”.

129 (D) Subsection (b) is amended as follows:

130 (i) Strike the word “permit” and insert the word “endorsement” in
131 its place.

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132 (ii) Strike the phrase “an on-premises restaurant, tavern,
133 multipurpose facility, hotel, or nightclub license, class C or D” and insert the phrase “an on-
134 premises retailer’s license, class C or D” in its place.

135 (E) Subsection (c) is amended to read as follows:

136 “(c) Except as provided for in subsection (c-1), the location used to manufacture wine
137 shall be on or immediately adjacent to the on-premises retailer’s license, class C or D, licensed to
138 the wine pub owner in accordance with subsection (b) of this section.”.

139 (F) A new subsection (c-1) is added to read as follows:

140 “(c-1)(1) A licensee holding a wine pub endorsement may manufacture wine at a location
141 that is not on or immediately adjacent to the on-premises retailer’s license, class C or D;
142 provided, that:

143 “(A) The licensee obtains an off-site production permit as defined by
144 regulation;

145 “(B) The location of the off-site production permit is within 600 feet of the
146 licensed establishment; and

147 “(C) No on-premises or off-premises sales occur at the off-site production
148 location.

149 “(2) The minimum annual fee for an off-site production permit shall be \$500 per
150 year.”.

151 (G) Subsection (d) is amended by striking the word ““permit” and

152 inserting the word “endorsement” in its place.

153 (H) Subsection (d-1) is amended as follows:

154 (i) Paragraph (1) is amended as follows:

155 (I) The lead-in text is amended by striking the phrase “If
156 the licensee possesses or has submitted a completed application for a wine pub permit” and
157 inserting the phrase “If the licensee has submitted a completed application for or is the holder of
158 a wine pub endorsement” in its place.

159 (II) Subparagraph (A) is amended as follows:

160 (aa) Strike the word “permit” and insert the word
161 “endorsement” in its place.

162 (bb) Strike the word “any” and insert the article “an” in its
163 place.

164 (cc) Strike the word “business” and insert the word
165 “operating” in its place.

166 (ii) Paragraph (3) is amended as follows:

167 (I) Strike the word “permit” both times it appears and insert
168 the word “endorsement” in its place.

169 (II) Strike the phrase “, as set forth in the schedule of civil
170 penalties established under § 25-830,”.

171 (iii) Paragraph (4) is amended by striking the word “permit” and

172 inserting the word “endorsement” in its place.

173 (I) Subsection (e) is repealed.

174 (K) Subsection (f) is amended to read as follows:

175 “(f) A wine pub endorsement shall be cancelled or revoked if the on-premises retailer
176 license, class C or D, ceases operation or the license is revoked or cancelled.”.

177 (L) Subsection (g) is amended by striking the word “permit” and inserting
178 the word “endorsement” in its place.

179 (M) Subsection (h) is amended by striking the word “permits” and
180 inserting the word “endorsements” in its place.

181 (N) A new subsection (i) is added to read as follows:

182 “(i) A licensee holding a wine pub endorsement shall be authorized
183 to sell and deliver wine directly to a consumer for off-premises consumption if the alcoholic
184 beverage is:

185 “(1) Manufactured at the wine pub facility;

186 “(2) Manufactured by the holder of the wine pub endorsement or an entity,
187 regardless of jurisdiction, with a shared ownership interest of 5% or more in the location where
188 the wine pub endorsement is located; or

189 “(3) Manufactured by the holder of the wine pub endorsement as part of a
190 collaboration with another manufacturer, regardless of jurisdiction.”.

191 (7) Section 25-125 is amended as follows:

192 (A) The heading is amended to read as follows:

193 “§ 25-125. Distillery pub endorsement.”.

194 (B) Subsection (a) is amended to read as follows:

195 “(a) A distillery pub endorsement shall authorize the licensee to manufacture distilled
196 spirits at one location from fruits or grains, to blend and rectify distilled spirits, and store distilled
197 spirits transported to the on-premises retailer license, class C, for on-premises consumption, and
198 for sale to licensed wholesalers for the purposes of resale to other licensees.”.

199 (C) Subsection (b) is amended as follows:

200 (i) Strike the word “permit” and insert the word “endorsement” in
201 its place.

202 (ii) Strike the phrase “an on-premises restaurant, tavern,
203 multipurpose facility, hotel, or nightclub license, class C” and insert the phrase “an on-premises
204 retailer license, class C” in its place.

205 (D) Subsection (c) is amended by striking the phrase “The location” and
206 inserting the phrase “Except as provided for in subsection (c-1), the location” in its place.

207 (E) A new subsection (c-1) is added to read as follows:

208 “(c-1)(1) A licensee holding a distillery pub endorsement may manufacture distilled
209 spirits at a location not on or immediately adjacent to the licensed premises, provided that:

210 “(A) The licensee obtains an off-site production permit as defined by
211 regulation;

212 “(B) The location of the off-site production permit is within 600 feet of the
213 licensed premises; and

214 “(C) No on-premises or off-premises sales occur at the off-site production
215 location.

216 “(2) The minimum annual fee for an off-site production permit shall be \$500 per
217 year.”.

218 (F) Subsection (d) is amended as follows:

219 (i) Paragraph (1) is amended is amended as follows:

220 (I) The lead-in text is amended by striking the phrase “or
221 received a distillery pub permit” and inserting the phrase “or is a holder of a distillery pub
222 endorsement” in its place.

223 (II) Subparagraph (A) is amended by striking the phrase
224 “permit holder’s licensed location” and inserting the phrase “endorsement holder’s licensed
225 premises” in its place.

226 (III) Subparagraphs (D) and (C) are amended by striking
227 the word “permit” everywhere it appears and inserting the word “endorsement” in its place.

228 (G) Subsection (d-1) is amended as follows:

229 (i) The lead-in text is amended by striking the phrase “if a licensee
230 possesses or has submitted a completed application for a distillery pub permit” and inserting the
231 phrase “if the licensee has submitted a completed application for or is the holder of a distillery

232 pub endorsement” in its place.

233 (ii) Subparagraphs (A) and (B) are amended by striking the word
234 “permit” wherever it appears and inserting the word “endorsement” in its place.

235 (iii) Paragraphs (2) and (3) are amended by striking the word
236 “permit” wherever it appears and inserting the word “endorsement” in its place.

237 (iv) Paragraph (4) is amended as follows:

238 (I) Strike the word “permit” both times it appears and
239 insert the word “endorsement” in its place.

240 (II) Strike the phrase “, as set forth in the schedule or civil
241 penalties established under § 25-830,”.

242 (v) Paragraph (5) is amended by striking the word “permit” and
243 inserting the word “endorsement” in its place.

244 (H) Subsection (e) is repealed.

245 (I) Subsection (f) is amended to read as follows:

246 “(f) A distillery pub endorsement shall be cancelled or revoked if the on-premises retailer
247 license, class C, ceases operations or the license is revoked or cancelled.”.

248 (J) Subsection (g) is amended by striking the word “permit” and inserting
249 the word “endorsement” in its place.

250 (K) Subsection (h) is amended by striking the word “permits” and
251 inserting the word “endorsements” in its place.

252 (L) A new subsection (i) is added to read as follows:

253 “(i) A licensee holding a distillery pub endorsement shall be
254 authorized to sell and deliver spirits directly to a consumer for off-premises consumption if the
255 spirits are:

256 “(1) Manufactured at the distillery pub facility;

257 “(2) Manufactured by the holder of the distillery pub endorsement or an entity,
258 regardless of jurisdiction, with a shared ownership interest of 5% or more in the location where
259 the distillery pub endorsement is located; or

260 “(3) Manufactured by the holder of the distillery pub endorsement as part of a
261 collaboration with another manufacturer, regardless of jurisdiction.”.

262 (8) Section 25-128 is amended as follows:

263 (A) Subsection (a) is amended by striking the word “permit” and inserting
264 the word “endorsement” in its place.

265 (B) Subsection (h) is amended by striking the word “permit” wherever it
266 appears and inserting the word “endorsement” in its place.

267 (b) Chapter 4 is amended as follows:

268 (1) The table of contents for Subchapter I is amended by adding a new section
269 designation to read as follows:

270 “§ 25-407. Application for brew pub endorsement.”.

271 (2) Section 25-407 is amended as follows:

272 (A) The heading amended to read as follows:

273 “§ 25-407. Application for brew pub endorsement.”.

274 (B) The lead-in text is amended by striking the word “permit” and

275 inserting the word “endorsement” in its place.

276 (c) Section 25-508 is amended by striking the phrase, “Brew pub permit 3,000/year”.

277 (d) Chapter 7 is amended as follows:

278 (1) Section 25-711(b) is amended by striking the phrase “retail license or a club”

279 and inserting the phrase “retail license, manufacturer’s license, or a club” in its place.

280 (2) Section 25-737 is amended by striking the word “permit” everywhere it

281 appears and inserting the word “endorsement” in its place.

282 (e) Section 25-902 is amended by striking the word “permit” everywhere it appears and

283 inserting the word “endorsement” in its place.

284 Sec. 3. Fiscal impact statement.

285 The Council adopts the fiscal impact in the committee report as the fiscal impact

286 statement required by section 4a of the General Legislative Procedures Act of 1975, approved

287 October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

288 Sec. 4. Effective date.

289 This act shall take effect following approval by the Mayor (or in the event of veto by the

290 Mayor, action by the Council to override the veto), a 30-day period of congressional review as

291 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

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292 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
293 Columbia Register.