

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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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:

"§ 25-116a. Pub endorsement."

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

"§ 25-117. Brew pub endorsement requirements and qualifications."

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

"§ 25-124. Wine pub endorsement."

**ENROLLED ORIGINAL**

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

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

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

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

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

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

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

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

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

“(4) A manufacturer’s license shall not be required for persons who manufacture beer or wine at their residence; provided, that the wine or beer is for personal consumption only and not for resale.”.

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

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

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

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

“§ 25-116a. Pub endorsement.

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

“(b) The minimum annual fees for a pub endorsement shall apply as follows:

1 pub endorsement	\$5,000
2 pub endorsements	\$7,500
3 pub endorsements	\$9,000

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“(c) A brew pub endorsement shall be cancelled or revoked if the on-premises retailer’s license, class C or D, ceases to operate or the license is revoked or cancelled.”.

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

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

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

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

“§ 25-124. Wine pub endorsement.”.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

year.”.

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

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

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

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

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

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

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

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

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

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

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

(iii) Paragraph (4) is amended by striking the word “permit” and inserting the word “endorsement” in its place.

(I) Subsection (e) is repealed.

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

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

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

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

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

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

“(1) Manufactured at the wine pub facility;

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

“(3) Manufactured by the holder of the wine pub endorsement as part of a

collaboration with another manufacturer, regardless of jurisdiction.”.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) The lead-in text is amended by striking the phrase “if a licensee

possesses or has submitted a completed application for a distillery pub permit” and inserting the phrase “if the licensee has submitted a completed application for or is the holder of a distillery pub endorsement” in its place.

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

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

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

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

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

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

(H) Subsection (e) is repealed.

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

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

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

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

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

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

“(1) Manufactured at the distillery pub facility;

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

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

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

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

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

(b) Chapter 4 is amended as follows:

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

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

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

(A) The heading amended to read as follows:

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

(B) The lead-in text is amended by striking the word “permit” and inserting the word “endorsement” in its place.

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

(d) Chapter 7 is amended as follows:

(1) Section 25-711(b) is amended by striking the phrase “retail license or a club” and inserting the phrase “retail license, manufacturer’s license, or a club” in its place.

(2) Section 25-737 is amended by striking the word “permit” everywhere it appears and inserting the word “endorsement” in its place.

(e) Section 25-902 is amended by striking the word “permit” everywhere it appears and inserting the word “endorsement” in its place.

**Sec. 3. Fiscal impact statement.**

The Council adopts the fiscal impact in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

**Sec. 4. Effective date.**

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia