

**BREWER RETAIL SALES PRIVILEGES, SELF-DISTRIBUTION,  
AND BEER FRANCHISE LAWS IN SELECTED STATES**

STATE	RETAIL PRIVILEGES	SELF-DISTRIBUTION PRIVILEGES	KEY ELEMENTS OF BEER FRANCHISE LAW
<p><b>MARYLAND</b> Based on <b>H.B. 1283</b> Pending Governor's Approval</p>	<p>A Class 5 brewery license authorizes a brewer to provide samples of up to 18 ounces to visitors; sell containers of beer (other than kegs) for off-premise consumption to individuals participating in a brewery tour or special event; sell up to 2,000 barrels of beer annually for on-premise consumption plus an additional 1,000 barrels purchased from a licensed wholesaler, and to sell beer in growlers for off-premise consumption. Several complex limitations and exceptions apply. Md. Ann. Code art. 2B, § 2-207, as amended by HB 1283.</p> <p>A Class 6 pub-brewery license authorizes production of up to 2,000 barrels annually and the sale of malt beverages for on premise consumption and for off-premise consumption in sealed refillable containers ("growlers"). Md. Ann. Code art. 2B, § 2-208.</p> <p>A Class 7 microbrewery license authorizes on-premise retail sales at up to two locations of up to 4,000 barrels annually. Md. Ann. Code art. 2B, § 2-209.</p> <p>A Class 8 farm brewery license authorizes on-premise sales not exceeding 6 fluid ounces per brand and sampling subject to other restrictions. Md. Ann. Code art. 2B, § 2-210.</p>	<p>A Class 5 manufacturer's licensee, a Class 7 micro-brewery licensee, and a Class 8 farm brewery licensee that produce in the aggregate from all locations not more than 22,500 barrels of beer annually may obtain a Class 7 limited beer wholesaler's license to sell and deliver up to 3,000 barrels annually of beer produced on the brewery premises to licensed Maryland retailers and other permit holders. Md. Ann. Code art. 2B, § 2-308.</p> <p>Class 6 pub-brewery license may not self-distribute its beer. Md. Ann. Code art. 2B, § 2-208.</p>	<p>Date of Enactment: 1974</p> <p>Exclusive Territories: Required</p> <p>Termination: Good cause required; no termination without cause for compensation.</p> <p>Cause of Action: Wholesalers have private right of action against brewers.</p>

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<p><b>California</b></p>	<p>Brewers may sell self-produced beer to consumers for consumption on and off the licensed brewery premises or at a contiguous premise owned and operated by the brewer. Cal. Bus. &amp; Prof. Code §§ 23357, 25503.28(b).</p> <p>Brewers may hold up to six additional on-premise retail licenses for premises not at or adjacent to the brewery. Cal. Bus. &amp; Prof. Code § 25503.28(a).</p> <p>A brewpub-restaurant license is an on-sale retail licensee that must produce at least 100 barrels and not more than 5,000 barrels of beer annually on the licensed premises. The license authorizes the on-premise sale of beer produced by the brewpub as well as beer, wine, and distilled spirits purchased from licensed wholesalers. Cal Bus &amp; Prof Code § 23396.3.</p>	<p>A licensed beer manufacturer may sell beer to any retailer, permit holder, or other wholesaler. Cal Bus &amp; Prof Code § 23357.</p> <p>A brewpub-restaurant license does not authorize self-distribution. Cal Bus &amp; Prof Code § 23396.3.</p>	<p>California does not have a full franchise law, but the law provides special protection for beer wholesalers in certain circumstances.</p> <p>Date of Enactment: 2000</p> <p>Exclusive Territories: Permitted, but not required</p> <p>Termination: Wholesaler cannot be terminated for failure to meet a sales goal or quota that is commercially unreasonable. Otherwise, distribution contract terms control brewer-wholesaler relationship.</p> <p>Cause of Action: Wholesaler may file a civil action to seek compensatory damages.</p>

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<p><b>Colorado</b></p>	<p>A brewery may sell to retailers and may also obtain a separate wholesaler license with on and off-premise sales privileges in a "sales room" on the brewery/wholesaler premises. Colo. Rev. Stat. § 12-47-402.</p> <p>Colorado has a separate retail license for brewpubs and they are treated in the same general manner as restaurants and other retailers with a requirement that a certain percentage of their sales is from food. Colo. Rev. Stat. §§ 12-47-301, 12-47-415.</p>	<p>Brewers may sell to other licensees with no limitation on sales volumes and may obtain one or more separate wholesaler licenses. Colo. Rev. Stat. § 12-47-402.</p>	<p>Date of Enactment: 2007</p> <p>Exclusive Territories: Required.</p> <p>Termination: Good cause required, although certain contract terms, such as termination for fair market value compensation may be enforceable.</p> <p>Cause of Action: Common law contract claims. (State can also act to suspend or revoke brewer's license for violations of franchise law.)</p>
<p><b>Delaware</b></p>	<p>A brewery pub licensee may produce up to 4,000 of beer barrels annually for on and off-premise consumption. Del. Code Ann. tit. 4 § 512B(b).</p> <p>A microbrewery licensee may sell beer from the brewery for on and off-premise consumption with no annual volume limitation. Del. Code Ann. tit. 4 § 512C.</p>	<p>Delaware does not permit self-distribution by brewers.</p>	<p>Date of Enactment: 1981</p> <p>Exclusive Territories: Permitted but not required.</p> <p>Termination: Good cause required for termination without compensation and no cause termination permitted with compensation to wholesaler.</p> <p>Cause of Action: Delaware ABC is the initial decision maker.</p>

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<b>District of Columbia</b>	<p>A manufacturing brewery may sell beer to consumers in sealed containers for off-premise consumption with no annual volume limitation on retail sales. D.C. Code § 25-110(a)(2)(B). A manufacturing brewery may also obtain a separate on-site consumption permit to sell beer for on-premise consumption. . D.C. Code § 25-126.</p> <p>A brewpub licensee may produce and sell beer for on-premise consumption and to fill growlers for off-premise consumption with no annual volume limitation. D.C. Code § 25-117.</p>	<p>Self-distribution is only authorized for a manufacturing brewery for beer produced at the brewery. D.C. Code § 25-110.</p>	<p>No franchise law.</p>
<b>Illinois</b>	<p>Illinois has a complex licensing system with three different classes of brewery licenses and a retail brewpub license.</p> <p>A "Class 1" and "Class 3" beer manufacturer may sell beer at the brewery to consumers for on and off-premise consumption. The retail sales authorization is a privilege of the brewery license and Class 1 and 3 brewers are not entitled to hold any other retail license. ILCS § 5/5-1.</p>	<p>Only a Class 1 brewer may self-distribute subject to several limitations. 235 ILCS 5/5-1.</p>	<p>Date of Enactment: 1982</p> <p>Exclusive Territories: Required.</p> <p>Termination: Termination without cause for compensation is allowed if a brewer's sales constitute less than 10 percent of a wholesaler's annual sales volume. Good cause is required for termination by a brewer if its brands constitute more than 10 percent of a wholesaler's annual sales volume.</p> <p>Cause of Action: Arbitration for</p>

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			<p>termination without compensation and civil action for damages if brewer's sales to wholesaler are above the annual volume threshold.</p>
<p><b>New Jersey</b></p>	<p>A plenary brewery license and a limited brewery license (lower license fees authorized to produce up to 300,000 barrels of beer annually) may sell beer to consumers for on-premise consumption in connection with brewery tours and for off-premise consumption with no annual volume limitation on retail sales. N.J. Stat. § 33:1-10.</p> <p>A restricted brewery licensee may produce up to 10,000 barrels annually and may sell beer to consumers for on and off-premise consumption at a separately licensed restaurant with no separate annual volume limitation on retail sales. N.J. Stat. § 33:1-10.</p>	<p>Plenary and limited brewery licensees may sell and distribute beer to wholesalers and retailers. N.J. Stat. § 33:1-10.</p>	<p>Date of Enactment: 2006</p> <p>Exclusive Territories: Required.</p> <p>Termination: Good cause required and termination for no cause with compensation is not authorized.</p> <p>Cause of Action: New Jersey ABC is initial decision maker in disputes based on franchise law.</p>

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<p><b>North Carolina</b></p>	<p>A brewery licensee may obtain a separate retail license to sell beer to consumers for on-premise consumption with no annual volume limitation on retail sales. N.C. Gen. Stat. § 18B-1001(1)(i).</p> <p>A brewer producing 25,000 barrels or less may obtain up to three retail permits. N.C. Gen. Stat. § 18B-1104(8).</p>	<p>Only a brewer producing 25,000 barrels or less may self-distribute beer produced at its brewery. N.C. Gen. Stat. § 18B-1104(8).</p>	<p>Date of Enactment: 1989</p> <p>Exclusive Territories: Required.</p> <p>Termination: Small brewery (under 25,000 barrels annual production) may terminate wholesaler for fair market value compensation. Large breweries may only terminate for good cause.</p> <p>Cause of Action: A wholesaler may bring an action against a brewery for injunctive relief and monetary damages.</p>
<p><b>Ohio</b></p>	<p>An A1 beer manufacturing license authorizes brewers to produce more than 31 million gallons annually worldwide. ORC § 4303.02. The A-1 permit holder may obtain a separate permit to sell beer that is manufactured at the Ohio brewery for on-premise consumption and growlers for off-premise consumption. ORC at § 4303.021.</p> <p>An A1c permit authorizes on-premise and off-premise retail sales, but the manufacturer cannot produce more than thirty-one million gallons annually. ORC § 4303.022.</p>	<p>A1c permit holders may sell beer products in bottles or containers for home use and to retail and wholesale permit holders if the beer manufacturer's total production of beer, wherever produced, will not exceed thirty-one million gallons in a calendar year. ORC § 4303.022.</p>	<p>Date of Enactment: 1974</p> <p>Exclusive Territories: Required.</p> <p>Termination: Just cause defined by statute is required for all terminations. Law is silent on termination without cause for compensation.</p> <p>Cause of Action: Wholesaler may bring a civil action for injunctive relief and damages.</p>

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<p><b>Pennsylvania</b></p>	<p>Retail privileges are authorized for brewers at the licensed brewery. 47 P.S. §§ 4-431(a), 4-446. A brewery licensee may obtain a separate license to sell at retail to consumers for on-premise consumption of "malt or brewed beverages produced and owned by the brewery." 47 P.S. § 446(a)(1). The licensed brewery has the option to obtain a hotel liquor license, 47 P.S. § 446(a)(4), however, a brewery may not hold more than one retail license. 40 P.S. § 3.92(e).</p>	<p>Self-distribution and warehousing privileges are authorized for Pennsylvania brewers. 47 P.S. § 4-431.</p>	<p>Date of Enactment: 1980</p> <p>Exclusive Territories: Required.</p> <p>Termination: Good cause required for termination. Law is silent on termination without cause for compensation.</p> <p>Cause of Action: Wholesalers may bring a civil action for injunctive relief and damages.</p>
<p><b>Virginia</b></p>	<p>A brewery license authorizes on and off-premise sales at the brewery of brands that the brewery owns. A may also provide samples of beer produced at the brewery to consumers for on-premise consumption with no volume limitation on the retail sales. Va. Code Ann. § 4.1-208.</p> <p>A limited brewery licensee (farm brewery) may produce up to 15,000 barrels annually and may sell beer to consumers for on and off-premise consumption with no additional volume limitation on retail sales. Va. Code Ann. § 4.1-208(2).</p> <p>Updated and effective July 1, 2017.</p>	<p>Virginia has a limited self-distribution privilege for breweries at commonly owned theme parks and developments. Va. Code Ann. § 4.1-208.</p>	<p>Date of Enactment: 1978</p> <p>Exclusive Territories: Required.</p> <p>Termination: Good cause required. Law is silent on termination without cause for compensation.</p> <p>Cause of Action: Virginia ABC is the initial decision maker in disputes based on the beer franchise law.</p>