

**NON-RETAIL ABC LICENSE TYPES
AND THEIR BASIC PRIVILEGES**

LICENSE TYPE	DESCRIPTION
01	BEER MANUFACTURER - (Large Brewery over 60,000 barrels per year) This license is required by makers of beer in this State. An exception under State and Federal law allows a person to produce up to 100 gallons of beer a year for his/her own consumption (maximum of 200 gallons per household). See also <u>Small Beer Manufacturer</u> (Type 23) for brewpubs and micro-breweries. "Beer manufacturer" means any person, except those manufacturing pursuant to Section 23356.2 (home brew), engaged in the manufacture of beer (Section 23012).
02	WINEGROWER - (Winery) The following pertains to new winegrowers' licenses issued after September 17, 1965. A winegrower must have facilities and equipment for the conversion of fruit into wine and engage in the production of wine (Section 23013). Federal Alcohol and Tobacco Tax and Trade Bureau (TTB) regulations permit a winegrower to use the facilities and equipment of another winegrower to produce wine. This is commonly referred to as an "alternating proprietorship." Separate winegrower licenses are issued to each legal entity manufacturing wine under its own bonded winery permit. Wine must be made from the fermentation of agricultural products to which may be added brandy that is distilled from the same agricultural product from which the wine is made. Thus, neutral grain or other distilled spirits cannot be used to fortify wine – only brandy of a specific type. No more than 15% added flavoring or blending material may be added. (Section 23007).
03	BRANDY MANUFACTURER - The following pertains to brandy manufacturers' licenses, and to duplicate brandy manufacturer's licenses issued after September 17, 1965. This license authorizes the holder to manufacture only brandy and not other distilled spirits (Section 23014). Brandy made by the distillation of wine or fermented fruit.
04	DISTILLED SPIRITS MANUFACTURER - The following pertains to new distilled spirits manufacturer's licenses issued after September 18, 1959. The Act defines a distilled spirits manufacturer as "...any person who produces distilled spirits from naturally fermented materials or in any other manner" (Section 23015). The functions of this type of license, in addition to that of production, include packaging, bottling, rectifying, flavoring and others as found within Section 23356. The functions apply only to distilled spirits; they do not include wine or beer.
05	DISTILLED SPIRITS MANUFACTURER'S AGENT - This license authorizes any of the following: (a) The possession of distilled spirits in public or private warehouses. (b) The exportation of distilled spirits. (c) The cutting, blending, mixing, flavoring, and coloring of distilled spirits for his own account or for the account of a distilled spirits manufacturer, manufacturer's agent, rectifier, or wholesaler. (d) Whether cut, blended, mixed, flavored, or colored by him, or any other person, the packaging and the sale or delivery of distilled spirits only to holders of distilled spirits manufacturer's, rectifier's or distilled spirits wholesaler's licenses. A person need not actually engage in the cutting, blending, or bottling of distilled spirits in order to qualify for a distilled spirits manufacturer's agent's license.
06	STILL - The following applies to still licenses used for the making of alcoholic beverages or capable of such use. A still is "...any apparatus capable of being used for separating alcohol, or alcoholic vapors or solutions from alcohol or alcoholic solutions or mixtures ..." Stills used for laboratory purposes or stills used solely for producing distilled water or other non-alcoholic beverages are exempt from licensing (Section 23034). (Generally, this license is not required to produce fuel alcohol.)
07	RECTIFIER - This type of license is frequently referred to as a "distilled spirits rectifier's license", which is incorrect since the license also permits the rectification of wine. This licensee is authorized to cut, blend, rectify, mix, flavor and color distilled spirits and wine upon which excise tax has been paid and, whether rectified by the licensee or another person, to package, label, export and sell the products to persons holding licenses authorizing the sale of distilled spirits (Sections 23016 and 23368). This licensee may sell distilled spirits and wine without the need for any other license, but he/she may <u>not</u> sell wine to a person who does not hold a license that also authorizes the sale of distilled spirits. A rectifier may also elect to function as a distilled spirits wholesaler, but when doing so, he/she must comply with all of the provisions applicable to a distilled spirits wholesaler (Section 23371).

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08	WINE RECTIFIER - The wine rectifier's license is one in very limited use. Presently, there are no active Type 08 licenses. A rectifier's license (Type 07) includes wine rectification privileges in addition to allowing distilled spirits rectification privileges. A wine blender's license allows most of the same privileges as the wine rectifier's license. A wine rectifier may only deal in "tax-paid" wine, unlike a wine blender who may process "in-bond" (non-tax paid) wine. A wine rectifier's license authorizes the person to whom issued to cut, blend, mix, flavor, or color wine upon which excise tax has been paid, and whether so cut, blended, rectified, mixed, flavored, or colored by him, or any other person, to package, label, export, and sell the products to persons holding licenses authorizing the sale of wine (Section 23372).
09	BEER AND WINE IMPORTER - This license is only issued to a person who holds another type of license which permits the sale of beer and wine for resale. This license has no sale privileges. It only permits the holder to import and export alcoholic beverages and to transfer the beverages to him/herself under another license (Section 23374).
10	BEER AND WINE IMPORTER'S GENERAL - This type of license is one frequently issued to agents for out-of-state breweries or wineries who refer to themselves as "brokers." Such agents differ greatly from true brokers as is shown in the functions they perform. This license should also be held by companies representing manufacturers/suppliers where such companies have a physical marketing presence in California. This presence may consist of a regional sales office or one person/employee working out of his/her home while performing general missionary work. Another common situation requiring the holding of this license is where an out-of-state vendor imports beer or wine in its own name and uses the services of a licensed public warehouse for importation, storage and distribution of beer and wine to authorized licensees. Section 23374.6 authorizes the person to whom this license is issued to become an importer of beer or wine and to sell State tax-paid beer and wine to beer manufacturers, winegrowers, beer and wine wholesalers, wine rectifiers, and other beer and wine importer's general licensees.
11	BRANDY IMPORTER - This license is only issued to a person who holds another type of license which permits the sale of brandy for resale. It, however, may not be issued to a California Brandy Wholesaler. (Section 23378.1) Brandy is included in the definition of distilled spirits (Section 23005).
12	DISTILLED SPIRITS IMPORTER - This license is only issued to a licensee who has another type of non-retail distilled spirits license. This license has no sale privileges. It only permits the holder to import and export alcoholic beverages, and to transfer the beverages to him/her under another license (Section 23374).
13	DISTILLED SPIRITS IMPORTER'S GENERAL - This type of license is one most frequently issued to agents for out-of-state rectifiers, distilleries, or nation-wide import companies. Such agents differ greatly from true brokers as is shown in the functions they perform. This license should also be held by companies representing manufacturers/suppliers where such companies have a physical marketing presence in California. This presence may consist of a regional sales office or one person/employee working out of his/her home while performing general missionary work. Another situation requiring the holding of this license is where an out-of-state vendor imports distilled spirits in its own name and uses the services of a licensed public warehouse for importation, storage and distribution of distilled spirits to authorized licensees. A distilled spirits importer's general license authorizes the person to whom issued to become an importer of distilled spirits and to sell distilled spirits to distilled spirits manufacturers, distilled spirits manufacturer's agents, distilled spirits wholesalers, rectifiers and distilled spirits general importers (Section 23374.5).
14	PUBLIC WAREHOUSE - A public warehouse license is required for a warehouseman who provides warehouse service for alcoholic beverage licensees. This is distinguished from private warehouse permits, where a licensee has a leasehold or ownership interest and provides his/her own help at a premises other than that where licensed. The Act defines a public warehouse as "...any place licensed for the storage of, but not for sale of, alcohol, or alcoholic beverages, for the account of other licensees..." (Sections 23036 and 23375). A public warehouse is one of the types of premises to which imports may come to rest (Section 23661). It is also one of the types of premises from which a distilled spirits wholesaler may make deliveries if it is in the county where he/she is licensed (Section 23355.1).

LICENSE TYPE	DESCRIPTION
15	<p>CUSTOMS BROKER - This type of licensee will generally be located near the dock area in seaports or at international airports. The Customs Broker is also frequently located in port cities in building where many foreign consulates or commercial attaches have their offices.</p> <p>Special Note: This Department has taken the position that where a customs broker makes either entry or withdrawal in his own name, is identified as the responsible person and has a possessory right, the possibility of unlawful diversion into the internal commerce of the State exists. Under these circumstances, we believe he/she should be subject to State control and, therefore, licensed. On the other hand, if the customs broker is solely engaged as an agent for licensed importers and if all entries and/or withdrawal documents disclose the licensed importer as the principal, he/she need not be licensed by this Department. However, we strongly suggest that such persons apply for and hold Type 15 licenses to permit the flexibility needed to handle unforeseen special circumstances requiring licensure.</p> <p>"Customs broker" means every person who is authorized to act as agent or broker for a person licensed as an importer of for a person whose place of business is without the State, in regard to the importing of alcoholic beverages into the State in United States Internal Revenue bond or in United States Customs bond. (Section 23019). The principal function of a customs broker is handling the paperwork and paying the duty on behalf of his principals on imported merchandise.</p>
16	<p>WINE BROKER - A wine broker is an independent contractor who acts as the agent in the sale of wine products. Typically, wine broker's services are contracted by smaller wineries and wholesalers who cannot maintain their own in-house marketing representatives. A wine broker means every person, other than a salesman who is regularly employed by a licensee, who engages as an agent in the sale or purchase of wine for or on behalf of another or others for a fee or commission (Section 23020).</p>
17	<p>BEER AND WINE WHOLESALER - The following pertains to beer and wine wholesalers generally. This permits incidental sales to other supplier-type licensees. However, to qualify as a bona fide wholesaler, a licensee <u>must</u> sell to retailers generally (Section 23779).</p>
18	<p>DISTILLED SPIRITS WHOLESALER - The following pertains to distilled spirits wholesalers generally. However, specific mention will be made of certain "grandfather" privileges with regard to tied-house situations and in regard to sales of merchandise other than alcoholic beverages. "Wholesale sale" means a sale of distilled spirits to any licensee for the purpose of resale (Section 23027). This permits incidental sales to other supplier-type licensees. However, to qualify as a bona fide wholesaler, a licensee <u>must</u> sell to retailers generally (Section 23779, Rule 28).</p>
19	<p>INDUSTRIAL ALCOHOL DEALER - An industrial alcohol dealer sells alcohol for use in the trades, professions, and industries, but not for beverage use. He/she may sell to non-licensees only if they have a use permit issued by the Alcohol and Tobacco Tax and Trade Bureau (TTB). Section 23022 defines an industrial alcohol dealer as one who sells alcohol or distilled spirits in packages of more than one gallon for use in the trades, professions, or industries, but not for beverage use. Section 23380 authorizes a dealer to sell undenatured ethyl alcohol in packages of more than one gallon for use in the trades, professions, or industries and not for beverage consumption. It also authorizes the importation and exportation of undenatured ethyl alcohol. Undenatured ethyl alcohol is alcohol that is fit for beverage purposes as differentiated from denature alcohol which is not fit for beverage purposes.</p>
22	<p>WINE BLENDER - The following pertains to new wine blender's licenses issued on and after February 3, 1968. A wine blender is a person authorized to operate a bonded wine cellar pursuant to a Federal Basic Permit issued by the Alcohol and Tobacco Tax and Trade Bureau (TTB) who does not have facilities or equipment for the conversion of fruit into wine and does not engage in the production of wine (Section 23013.5). Wine must be made from the fermentation of agricultural products to which may be added brandy which is distilled from the same agricultural product from which the wine is made. No other type of distilled spirits may be used to fortify wine. No more than 15% added flavoring or blending material may be added (Section 23007). A wine blender is not required to engage in blending, processing, or bottling wine. He/she may elect to operate only a warehouse facility for the storage of non-tax paid ("in-bond") wine. This activity requires a Bonded Wine Cellar permit from TTB in addition to the wine blender license (Section 23770). Normally, the application fee for a wine blender license varies according to the total wine gallonage blended; however, an applicant who intends to operate only a bonded warehouse should pay the minimum fee.</p>

LICENSE TYPE	DESCRIPTION
23	<p>SMALL BEER MANUFACTURER - (Less than 60,000 barrels per year) The privileges and limitations for this type of license are the same as for other beer manufacturers . The only difference is the license fees. (See also Type 1 - Beer Manufacturer.) This license formerly related only to Steam beer. "Steam" beer is made by fermentation at cellar temperature rather than near freezing as is the case with other beers. It is made using only one type of malt--malted barley. It contains no corn, rice or other cereal grains as regular beers normally do. The method of carbonation is entirely natural and involves a process known as <u>Krausening</u>. This process requires taking beer which has been completely fermented and adding to it beer which is still fermenting. This causes a second fermentation to occur. The Krausening process in beer corresponds closely to the "bulk process" in making some types of sparkling wines. The most common users of this license are operators of micro-breweries and brewpubs. These designations are not to be construed as legal definitions. Their use below is only for descriptive purposes.</p> <p>"<u>Micro-brewery</u>": A small-scale brewery operation that generally produces approximately 15,000 barrels a year. Its beer products are primarily intended for local and/or regional consumption. Typically, these operations are solely dedicated to the production of specialty beers, although some do have a restaurant or pub on their manufacturing plant.</p> <p>"<u>Brewpub</u>": Typically, a very small brewery with a restaurant where the beer it produces is sold in draft form exclusively at its own premises. This operation often sells other supplier's bottled beer, including other hand-crafted or micro-brewed beers as well as wine to patrons for consumption on its premises. See "Special Note" below.</p> <p><u>Special Note:</u> A brewpub-restaurant (Type 75) license, authorized under Section 23396.3, has a limited brewing privilege and may sometimes be referred to as "brewpub." However, the Type 75 is an <u>on-sale retail</u> license with significant differences/limitations in license privileges from those of a true "beer manufacturer" (either Type 01 or Type 23).</p>
24	<p>DISTILLED SPIRITS RECTIFIER'S GENERAL - A distilled spirits rectifier's general license is similar to a rectifier's license except that a distilled spirits rectifier's general licensee may <u>not</u> rectify wine or sell distilled spirits to retailers. A distilled spirits rectifier's general license authorizes the person to whom issued to cut, blend, rectify, mix, flavor, and color distilled spirits, and whether so cut, blended, mixed, flavored, or colored by him or any other person, to package, label, export, and sell the distilled spirits to distilled spirits manufacturers, distilled spirits manufacturer's agents, distilled spirits wholesalers, distilled spirits general importers, rectifiers, and distilled spirits general rectifiers (Section 23368.1).</p>
27	<p>CALIFORNIA WINEGROWER'S AGENT - A California winegrower's agent acts as the sole representative for a California winegrower or brandy manufacturer (Section 23373.2). This license authorizes the holder to possess wine and brandy produced in this State in public and private warehouses; to sell only to wholesalers for his/her own account or to solicit and make sales of wine or brandy made in California only to wholesalers for his/her principal, and to invoice and collect payments for orders solicited by him/her (Section 23373). This license does not authorize the holder to represent an out-of-state winegrower or brandy manufacturer.</p>
29	<p>WINE GRAPE GROWER'S STORAGE - This license was authorized by legislation in 1982 to enable wine grape growers to more effectively deal with unpredictable market conditions that periodically caused an oversupply of grapes. Subsequent legislation in 1985 expanded the number of licensees to whom a wine grape grower could sell wine. A wine grape grower's storage license authorizes the holder to store bulk wine, made from grapes produced by the holder, on the premises of a licensed winegrower and to sell that wine, within this State to winegrowers, distilled spirits manufacturers, brandy manufacturers, wine blenders, and vinegar producers. (Section 23358.3).</p>

DEFINITIONS

Beer - "Beer" means any alcoholic beverage obtained by the fermentation of any infusion or decoction of barley, malt, hops, or any other similar product, or any combination thereof in water, and includes ale, porter, brown, stout, lager beer, small beer, and strong beer but does not include sake, known as Japanese rice wine. (Section 23006 Business and Professions Code)

Brandy - "Brandy" means a liquor which is obtained from the distillation of wine or a fermented mash of fruit. (London, R., & London, A. [1953]. In Cocktails and snacks [pp. 11-20], Cleveland, OH: World Pub. Co.)

Wine - "Wine" means the product obtained from normal alcoholic fermentation of the juice of sound ripe grapes or other agricultural products containing natural or added sugar or any such alcoholic beverage to which is added grape brandy, fruit brandy, or spirits of wine, which is distilled from the particular agricultural product or products of which the wine is made and other rectified wine products and by whatever name and which does not contain more than 15 percent added flavoring, coloring, and blending material and which contains not more than 24 percent of alcohol by volume, and includes vermouth and sake, known as Japanese rice wine. . . . (Section 23007 Business and Professions Code)

Distilled Spirits - (Section 23005) "Distilled spirits" means an alcoholic beverage obtained by the distillation of fermented agricultural products, and includes alcohol for beverage use, spirits of wine, whiskey, rum, brandy, and gin, including all dilutions and mixtures thereof. (Section 23005 Business and Professions Code)

Importer - "Importer" means:

- (a) Any consignee of alcoholic beverages brought into the State from without this State, when the alcoholic beverages are for delivery or use within this State.
- (b) Any person, except a public warehouse licensed under this division, to whom delivery is first made in this State of alcoholic beverages brought into this State from without this State for delivery or use within this State.
- (c) Any person, licensed as an importer, selling alcoholic beverages to nonlicensees within an area over which the United States Government exercises jurisdiction, when delivery of the alcoholic beverages is made to the nonlicensees by a common carrier transporting the alcoholic beverages from a point outside this State.
- (d) Any person bringing alcoholic beverages into this State from without this State which are not consigned to any person and which are for delivery or use within this State.

A person licensed as a customs broker who is acting as an agent for a licensed importer or for another person whose place of business is without the State shall not be deemed to be the importer of alcoholic beverages consigned in United States internal revenue bond or in United States customs bond to the licensed customs broker. (Section 23017 Business and Professions Code)

Wholesale Sale - "Wholesale sale" or "sale at wholesale" means a sale to any licensee for purposes of resale. (Section 23027 Business and Professions Code)