

INFORMATION REGARDING SHARED COMMON LICENSED AREAS

Under certain conditions and with the approval from the Department, licensees can share a common licensed area for on-site consumption of alcoholic beverages. Each licensee may only exercise those privileges authorized by their license type. All licensees sharing the shared consumption area will be jointly responsible for compliance with all applicable laws and rules pertaining to their respective licenses and authorizations. All licensees sharing a common licensed area will be held jointly responsible for any violations occurring in the common area. In addition to the provisions described below, the Department is authorized to place conditions on a license to further restrict operations within a shared licensed area to ensure the health, safety, and welfare of the public.

❖ Retail licensees (i.e. licensees whose primary operation is to sell alcoholic beverages directly to consumers)

Licensees holding an on-sale license type must receive approval from the Department prior to utilizing a shared, common licensed area for on-site consumption of alcoholic beverages. Common licensed areas can only be shared by licensees that hold the same license type (e.g. all type 41's or all type 47's). An exception may be considered for licensees limiting the type of alcohol served and consumed in the shared area to beer and wine only. No exception will be made for license types designated as a public premises (i.e. patrons must be 21 years or older) to share a licensed area with license types where minors are allowed (e.g. Licensees with a type 48 cannot share a common licensed area with a licensee holding a type 47 license.) No dispensing points are allowed within the shared area. Licensees are only authorized to sell alcoholic beverages to patrons from within their exclusive licensed premises.

❖ Licensed Winegrowers (Type 02), beer manufacturers that hold a Small Beer Manufacturer's license (Type 23) and Craft Distillers (Type 74)

California Business and Professions Code Section 25607(c) (1) states that a licensed winegrower, licensed beer manufacturer that holds a small beer manufacturer's license, and a licensed craft distiller, in any combination, whose licensed premises of production are immediately adjacent to each other and which are not branch offices, may, with the approval of the Department and under such conditions as the Department may require, share a common licensed area in which the consumption of alcoholic beverages is permitted, only under all of the following circumstances:

(A) The shared common licensed area is adjacent and contiguous to the licensed premises of the licensees.

(B) The licensed premises of the licensees are not branch offices.

(C) The shared common licensed area shall be readily accessible from the premises of the licensees without the necessity of using a public street, alley, or sidewalk.

(D) Except as otherwise authorized by this division, the alcoholic beverages that may be consumed in the shared common licensed area shall be purchased by the consumer only from the licensed winegrower, the licensed beer manufacturer, or the licensed craft distiller.

(E) The licensed winegrower, the licensed beer manufacturer, and the licensed craft distiller shall be jointly responsible for compliance with the provisions of this division and for any violations that may occur within the shared common licensed area.

(2) Nothing in this subdivision is intended to authorize the licensed winegrower, the licensed beer manufacturer, or the licensed craft distiller to sell, furnish, give, or have upon their respective licensed premises any alcoholic beverages, or to engage in any other activity, not otherwise authorized by this division, including, without limitation, the consumption on the premises of any distilled spirits purchased by consumers for consumption off the premises pursuant to Section 23504 or the consumption of distilled spirits other than as permitted by Section 23363.1.

(d) The holder of a beer manufacturer's license, winegrower's license, brandy manufacturer's license, distilled spirits manufacturer's license, craft distiller's license, any rectifier's license, any importer's license, or any wholesaler's license, that holds more than one of those licenses for a single premises, may have alcoholic beverages that are authorized under those licenses at the same time anywhere within the premises for purposes of production and storage, if the holder of the licenses maintains records of production and storage that identify the specific location of each alcoholic beverage product within the premises. Nothing in this subdivision is intended to allow a licensee to hold licenses, alone or in combination, or to exercise any license privileges, not otherwise provided for or authorized by this division.

❖ **Licensed manufacturers (ex. Types 01, 02, 03, 23, 74) sharing a common licensed area with retail licensees (ex. Types 40, 41, 42, 47, 48)**

A licensed manufacturer may share a common licensed area with multiple licensed retailers, subject to the provisions described in California Business and Professions Code Section 25607(e)(1) – (11)(B), which are, in part, as follows:

- (1) No retail licensee sharing the common licensed area with a licensed manufacturer shall sell or serve any alcoholic beverages that are manufactured, produced, bottled, processed, imported, rectified, distributed, represented, or sold by the manufacturer, directly or indirectly. This prohibition shall apply to all licensed premises owned or operated, in whole or in part, by the retail licensee anywhere in the state.
- (2) The licensed manufacturer may, in connection with the operation of the shared common area only, advertise or promote the common licensed area, including, but not limited to, any advertising or promotion related to the licensed retailers sharing the common licensed area, provided that each retailer pays its pro rata share of the costs of that advertising or promotion. The cost attributed to each retailer's pro rata share shall not be less than the current market price for that advertising or promotion.
- (3) The licensed manufacturer may, in connection with the operation of the shared common area only, pay its pro rata share of the cost of the operation of the shared common area, including, but not limited to, the cost of renting, utilities, or any other operating costs for the area.
- (4) Except as provided in paragraphs (2) and (3), no other thing of value may be given or furnished by the manufacturer to the retailers.
- (5) The manufacturer may have on the area of its licensed premises that encompass the shared common licensed area alcoholic beverages that would not otherwise be permitted on the manufacturer's licensed premises. This provision does not authorize the possession of alcoholic beverages not otherwise permitted on the manufacturer's licensed premises that is not part of the shared common licensed area.
- (6) All retailers sharing the common licensed area shall hold the same license type. Nothing in this subdivision shall authorize any of the retailers to exercise license privileges that are not authorized by their license.
- (7) All licensees holding licenses within the shared common licensed area shall be jointly responsible for compliance with all laws that may subject their license to discipline.
- (8) A wholesaler does not directly or indirectly underwrite, share in, or contribute to any costs related to the common licensed area.
- (9) The manufacturer maintains records necessary to establish its compliance with this section.
- (10) (A) This subdivision does not authorize a licensed manufacturer to share a common licensed area with a single retailer or with multiple retailers under common ownership, in whole or in part.
(B) This subdivision is intended to be a narrow exception to the separation of manufacturers and retailers. This subdivision shall be narrowly construed.