Suitable Operating/Marketing for "Closely Held Licenses"



Guide for licensed retailers and manufacturers.

Closely held licenses are licenses owned by close relations (allowed by law) and/or are in close proximity and intend to operate in conjunction with each other. However, a retail licensee cannot publicize that they are an alcoholic beverage manufacturer. The public must be able to distinguish between the different license types. All licensees must also meet suitability laws and rules.

Allowed:

- Retail licensees may use an Assumed Business Name (ABN) or a "Doing Business As" (DBA) name such as Betty's Beer Pub, The House of Brews and Brunch, English Family Wines and Wings, Dave's Distilled Spirits Bar and Restaurant, Tom's Tap House, etc., that is similar to a manufacturer without misleading the public. The public must be able to identify that the establishment is an on-premises alcoholic beverage licensee.
- Manufacturer Licensees must have signage indicating the type of business and must have manufacturing equipment, so the public is able to tell there is a brewery, winery, or distillery at that location.
- Retail licenses may be located adjacent to a brewery or winery if the licensees are able to maintain control of their respective premises through adequate physical separation. The separation may include doors, gates, or windows that may be left open during business hours, and it does not need to be floor-to-ceiling walls.

Not Allowed:

- Retail licensees cannot have signs, posters, or advertisements displayed on the exterior portion of the premises that identify any brewer, beer importer, or wholesaler in any manner or on the exterior portion of buildings adjacent to the premises if the retailer has possessory interest in the building. (Temporary advertisement signs are allowed.)
- Retail licensees cannot operate under an ABN or DBA that identifies them as a brewery, winery, or distillery, such as Betty's Brew Pub, Mary's Brewery and Brunch House, English Family Winery and Wings, Dave's Distillery and Bar, etc.
- Manufacturer licensees cannot have direct "tap lines" from the manufacturing premises to the licensed retail premises.
- Manufacturer licensees cannot own the building and rent a space to a retail licensee.

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- Retail licenses and manufacturer licenses cannot "intermingle" together in one space by not having a permanent floor-to-ceiling wall separating alcoholic beverage licenses. These alcoholic beverage licenses must be separate businesses.
- Retail licenses cannot advertise on menus, social media, tap handles, napkins, glassware, etc., that alcohol is manufactured in-house. The name of the manufacturer must be visible on those items and it cannot be misleading as to who has produced the alcoholic beverage product. Examples: Mary's BBQ Pale Ale brewed by Best Brewery Company or Distilled for Dave's Bar by D.R. Distillery, Bottled for the English Family Wine and Wings by Whiney Winery, etc.
- Retail licenses cannot advertise or state, "Our brew master has brewed," "Our new 'brewery," etc. This is not true and is deliberately misleading the public as to what type of alcoholic beverage licensee they are.
- Retail and manufacture licensees cannot represent to the public that they are anything but their own license type. It is up to the retail and manufacture licensees to correct public opinion and comments regarding their license types on social media posts or in any other media.

<u>16-3-311, MCA, ARM 42.12.145</u>, and <u>42.12.149</u>

4/2021 (Please note that information in Department Communications may have been modified, superseded, or made obsolete by changes in federal or state law or the Administrative Rules of Montana. If you need to verify the current validity of any Department Communications, contact us.)

^{*} All licensees must comply with all Montana alcoholic beverage laws and rules.