

## August 2022 Legal & Legislative Update

### FEDERAL / NATIONAL / INTERNATIONAL

For more detailed information on federal issues of importance to brewers, please link to BA's [Federal Affairs Updates](#).

#### **BA Files Comments on Proposed Changes to Brewer's Notice Requirements**

The Brewers Association has filed supportive [comments](#) on Tax and Trade Bureau [Notice No. 212, Modernization of Qualification Requirements for Brewer's Notices](#). With a goal of reducing burdens on industry members, the proposed amendments address the following issues:

- (1) eliminating the collection of certain information from Brewer's Notices;
- (2) replacing required narrative descriptions of the premises with more specific information;
- (3) extending deadlines for reporting certain changes in the brewer's business from 30 days to 60 days;
- (4) streamlining procedures for brewers using new trade names by allowing trade name use upon notification and not requiring TTB approval;
- (5) allowing the maintenance of required records at locations other than the brewery premises through a notification rather than an application for an alternate procedure;
- (6) clarifying which individuals are required to submit statements of financial interest in the business in connection with an application for a Brewer's Notice;
- (7) reducing the frequency of physical inventories for certain brewers and providing additional flexibility in the timing of inventories;
- (8) streamlining procedures for discontinuing business as a brewer;
- (9) allowing entities operating multiple breweries to secure one bond covering all operations; and
- (10) eliminating the requirement that brewers notify TTB before voluntarily destroying taxpaid beer off brewery premises.

#### **Washington Brewers Challenge Oregon Self-Distribution, Direct-to-Consumer Laws**

A lawsuit has been filed in Oregon U.S. District Court by several Washington brewers challenging the constitutionality of certain Oregon laws allowing in-state brewers to self-distribute and ship direct to consumers while denying out-of-state brewers those same abilities. The plaintiffs seek a declaratory judgment that these laws violate the Commerce Clause and discriminate against out-of-state beer producers engaged in interstate commerce.

### THE STATES

#### **California**

Amended on third reading in the Senate, [Assembly Bill 2307](#) increases the limit, from six to eight, of authorized branch office locations for a licensed beer manufacturer and increases the corresponding limit, from two to four, on these branch locations being bona fide eating places owned and operated by the beer manufacturer. A beer manufacturer cannot receive its last two

duplicate branch office licenses until the manufacturer has held its sixth duplicate branch license for at least one year. This bill also repeals the requirement that a branch office location only sell beer and wine purchased from a licensed wholesaler that is not owned by the beer manufacturer and increases the number of locations to eight at which a beer manufacturer may exercise retail privileges, provided that no more than six of the locations may be on-sale licenses.

Clearing Senate committee, [A.B. 2971](#), among a number of provisions, extends the current tied-house exception, until January 1, 2026, which authorizes a beer manufacturer to give, free of charge, up to five cases of retail advertising glassware to an on-sale retail licensee, per licensed location, each calendar year, and authorizes an on-sale retail licensee to accept, free of charge, up to 10 cases of retail advertising glassware, per licensed location, from licensed beer manufacturers each calendar year, subject to specified conditions.