



QUICK GUIDE | GENERAL GUIDANCE FOR WHOLESALERS

All individuals and entities licensed as wholesalers are authorized to distribute and sell alcoholic beverages in compliance with Title 25 of the D.C. Official Code and Title 23 of the D.C. Municipal Regulations. The following guidance summarizes important rules governing the conduct of licensees.

DISTRIBUTING ALCOHOL

Wholesalers may only deliver, distribute, and sell alcohol as authorized by their license class.

There are two types of manufacturing licenses:

- A Wholesaler's Class A License authorizes the holder to deliver, distribute, and sell beer, wine, and spirits in closed containers for off-premise consumption.
- A Wholesaler's Class B License authorizes the holder to deliver, distribute, and sell beer and wine in closed containers for off-premise consumption.

Wholesalers may deliver, distribute, and sell alcohol to the following persons or entities:

- Any other D.C. licensee,
- A licensed alcohol dealer in any other jurisdiction.
- Any consumer so long as the wholesaler solely provides beer and wine (not spirits).

For additional guidance on how to determine whether a product is beer, wine, or spirits, see the Quick Guide on Classifying alcoholic beverages.

PRIMARY AMERICAN SOURCE

Wholesalers may only deliver, distribute, and sell alcohol obtained from the primary American source. The primary American source is any manufacturer, distiller, rectifier, vintner or importer of the brand of alcoholic beverages at the time that the beverage became a marketable product in the United States, or its duly authorized agent.

TASTING ENDORSEMENT

Wholesalers are authorized to offer samples if they hold a tasting permit. Products used for sampling shall be labeled as samples and not sold (e.g., sticker saying "Sample"). If approved, tastings may occur between the hours of 8:00 a.m. and midnight. Participants shall not be given samples of alcoholic beverages exceeding 3 ounces of spirits, 6 ounces of wine,

and 12 ounces of beer in a single day. If approved, wholesalers may also conduct tasting in the common area of its approved off-site storage facility.

Wholesalers may not conduct tastings open to the public. Wholesaler tastings are authorized to permit the education of staff and introducing products to licensees. Wholesaler tasting participants are limited to the ownership, management, and staff of licensed retailers, manufacturers, wholesalers, temporary and festival permit holders, solicitors license holders, and

AT REST REQUIREMENTS

In the course of distributing alcohol to businesses and the public, wholesalers may not deliver, distribute, or sell alcohol until the product has been delivered to the wholesaler's licensed premise and unloaded at the premise. Furthermore, the product may not be legally delivered, distributed, or sold until it has remained inside the wholesaler's premise for at least 4 hours (e.g. cannot remain in delivery truck).

CATERER PURCHASES

Licensed wholesalers may deliver, distribute, and sell alcohol to licensed caterers so long as the event will have 100 persons or less.

SPECIAL EVENTS

For licensed temporary events, festivals, and farmer's markets occurring on a Saturday, Sunday, or holiday, a wholesaler may deliver alcohol to the license holder no earlier than 48 hours before the event.

OUT OF STATE SALES

A wholesaler may export, sell, and distribute alcohol to purchasers outside of the District of Columbia. Wholesalers are strongly advised to comply with the laws of the jurisdiction where the alcohol is being received.

RESTRICTIONS ON HOLDING OTHER LICENSES

There is no limit to the number of manufacturer's licenses that may be held by a person or entity. For restrictions on holding retail and wholesaler licenses, see the Quick Guide on Buying, Selling, and Transferring Liquor Licenses.

ALCOHOL INFUSED FOODS

The delivery, distribution, and sale of alcohol infused food products are subject to the same rules as alcoholic beverages. Alcoholic infused foods shall be sold in closed containers. The container shall state on the label that the sale of the product to an individual under 21 is prohibited, the brand of alcohol used, and that the product may contain up to 5 percent alcohol by volume. Alcohol infused food products shall not contain more than 5 percent alcohol by volume.

RESTRICTIONS ON ALCOHOL SERVICE

It is a violation of the law to:

- Permit a patron to open or consume an alcoholic beverage on the premises unless authorized by and in accordance with a tasting endorsement.
- Permit a patron to leave the licensed premises with an open container of alcohol.
- Sell, give, or permit the consumption or possession of alcohol by a person under 21 years of age.
- Sell, give, or permit the consumption of alcohol by an intoxicated person.
- Fail to take reasonable steps to ascertain whether a patron buying alcohol is of legal age.
- Selling or giving alcohol to a person that cannot produce valid identification upon request.

OWNER AND MANAGER PRESENCE REQUIREMENTS

Unlike other license holders, Wholesalers and Class AI and BI Internet Off-Premise Retailers are not required to have a licensed manager present when the ownership is absent during the establishment's licensed hours of sale if the premises are not open to the public.

If a licensee is open to the public, an owner or licensed manager must be on the premises at all times when alcoholic beverages are sold, delivered, or consumed. A manager must obtain and carry their manager's license and valid identification upon his or her person while on duty. An owner must carry identification on their person while on duty. Upon request of an ABRA investigator or police officer, owners and managers must display their identification and manager's license. It is a violation for an owner or licensed manager to be under the influence of alcohol while on duty.

RESTRICTIONS ON BUSINESS HOURS

All licensees must comply with the hours stated on their license. All licenses describe a licensee's hours of operation and the hours of sale of alcoholic beverages. A licensee is permitted to open after the beginning of the licensee's approved hours and close before the expiration of any approved hours.

Unless further restricted by the wholesalers license, a wholesaler may sell and deliver alcohol to other licensees between the hours of 5:00 a.m. and 1:00 a.m. the following day Monday through Saturday. Wholesalers may sell and distribute alcohol to the general public between the hours of 7:00 a.m. and midnight.

PAYMENT AND EXTENDING CREDIT

Wholesalers may accept check, draft, or other order of payment so long as any check, draft, or other payment order is drawn of the bank account of the licensee. The only permitted payment terms are cash on delivery or payment by the 16th day of the month following the purchase or delivery. No additional forms of credit or payment extensions are permitted to be extended to purchasing licensees.

A wholesaler that knows a purchasing retailer or manufacturer is delinquent on payments to the manufacturer or another manufacturer or wholesaler shall only sell alcohol to the delinquent licensee on the terms of cash on delivery.

ONE-DAY SUBSTANTIAL CHANGE

Manufacturers may apply for up to 12 one-day substantial change applications to permit additional activities on the premises that exceed the scope of the license or the on-site sales and consumption endorsement held by manufacturer. A one-day substantial change application may permit additional alcohol sale and service privileges, allow for dance floors, entertainment, and cover charges, and approve operations at alternative locations. The Board grants substantial change applications on a case-by-case basis. Applications for a one-day substantial change must be filed at least seven days prior to the event. Requests are subject to a fact-finding hearing before the Board.

ADVERTISEMENTS, DISCOUNTS, GIFTS, AND OTHER PROMOTIONS

Trade practice rules govern the relationship between manufacturers, wholesalers, and retailers. While many types of gifts, loans, and other types of transactions are prohibited, a wholesaler may rent a retailer's premise to host a one-day or one-time event with the approval of the Board; sell, give, or loan computer equipment to a retailer for the purpose of tracking sales and delivery of alcoholic beverages; and have its staff work or serve alcohol at an event at a licensed retailer promoting products sold by the wholesaler.

Wholesalers are also permitted to donate alcohol without limit to the holders of temporary and festival licenses and any non-profit that does not hold a retailer's license. Wholesalers are also permitted to sell and provide gift wrapping services to customers.

No manufacturer or wholesaler may directly or indirectly require a retailer to purchase any type of alcoholic beverage or other commodity in order to purchase any other alcoholic beverage (i.e., tie-in purchase).

See the Quick Guide Advertisements, Discounts, Gift, and Other Promotions for more information on this topic.

REQUIRED POSTINGS



All licensees are required to post their liquor license and alcoholic beverage warning sign in a conspicuous location visible to the public. A licensed wholesaler is exempt from posting a warning sign so long as the facility is not open to the public.

A licensee must post on the front window or front door of the licensed premises in letters not less than 1 inch or more than 1.25 inches in height: (1) the correct name(s) of the licensee; (2) the class; and (3) the license number.

If a settlement agreement is part of the license, the licensee must have a copy of the settlement agreement accessible to any (1) member of the public; (2) ABRA investigator; or (3) an MPD officer upon request.

RESTRICTIONS ON WINDOW DISPLAYS

Alcoholic beverage advertisements can only be displayed in the window of a licensed establishment if the total area covered by the advertisements does not exceed 25 percent of the window space. One or more exterior signs advertising alcoholic beverages shall not have a total cumulative area in the aggregate in excess of 10 square feet.

Advertisements may only be posted on the interior of a window. Advertisements cannot be posted on (1) the exterior of any window; (2) the exterior of any door; or (3) the interior of any door.

Illuminated signs advertising alcoholic beverages are permitted but must be shut off after the approved hours of sale expire. Illuminated signs shall use intermittent flashes of light.

KEG SALES

A keg is defined as any container that holds 4 or more gallons of alcohol. No off-premise retailer or wholesaler may sell a keg to a consumer without placing a keg registration seal on the container at the time of sale. Furthermore, at the time of sale, the off-premise retailer or wholesaler shall complete the keg declaration form and provide all information required by the Board. Upon return of the keg by the consumer, the licensee shall remove the keg seal and note the return of the keg on the declaration form. All keg records shall be maintained by the licensee for a period of 2 years from the date of purchase.

ON AND OFF-SITE STORAGE REQUIREMENTS

Licensees are required to store alcoholic beverages at the licensed premises. In order to store alcoholic beverages at a facility other than the licensed establishment, a licensee must submit a letter to the Board requesting an off-premises storage permit. The storage of alcohol for resale outside the District of Columbia is prohibited.

REQUIRED DOCUMENTS

All alcohol deliveries to licensees shall be accompanied by an invoice of sale listing the date of sale; the name, address, and license number of the seller and buyer, the quantity, character, and brand of each product delivered, price of each product, the total price of the transaction, and the terms and conditions of the sale. Invoices shall be consecutively numbered. Invoices shall be prepared in duplicate with the original being given to the buyer and the duplicate retained by the manufacturer.

The following documents must be maintained by a licensee at their licensed premises:

- Alcohol sale invoices;
- Records showing the character, brand, and quantity of alcohol disposed by means other than sale;

All documents must show true, accurate, and complete statement of terms and conditions for each purchase made.

Permission must be requested from the Board to store original invoices outside of the District of Columbia. Duplicate invoices must be stored in the District on either the licensed premises or at a location approved by the Board.

Books and records may be stored electronically as long as the records are made immediately available to ABRA upon request.

LIMITS ON EMPLOYING MINORS

For more information on the employment of minors see the Quick Guide on Minors and ABC Establishments.

PREPARING FOR REGULATORY INSPECTIONS AND COMPLIANCE CHECKS

Owners, managers, and staff should be aware and prepared for ABRA investigators and MPD officers to enter the premises for various reasons

A regulatory inspection is generally conducted a minimum of three times per year at each licensed establishment to ensure that a licensee is compliant with alcoholic beverage laws. A regulatory inspection may be conducted at any time during an establishment's hours of operation. If a licensed establishment is open, ABRA investigators must be allowed entry and provided with all requested information.

Additionally, the law prohibits the sale of alcoholic beverages to individuals under the age of 21. In order to enforce this law, ABRA conducts compliance checks using underage individuals as decoys who will attempt to buy alcohol from your establishment. Please note that undercover minors will show their true identification and state their correct age if asked. ABRA and the Metropolitan Police Department also have the right to check the IDs of customers both before and after purchases are made at an establishment. Finally, ABRA investigators may enter your establishment in an undercover capacity to observe the licensee's operations and for other law enforcement purposes.

Failing to permit an ABRA investigator or MPD officer to enter the premises or otherwise interfering in an investigation may result in prosecution.

BOARD APPROVAL FOR CHANGING THE TRADE NAME

Licensees changing the trade name of the business must file an application with the Board for approval. Visit ABRA's website for more information and the appropriate application.

BOARD APPROVAL FOR CHANGES IN OWNERSHIP OR CONTROL

In general, all license holders must disclose changes in ownership or control of the business before adding new directors, members, owners, officers, and partners to their business. In addition, the Board's prior approval is required before the business is sold or transferred to new owners. Visit ABRA's website for more information and the appropriate application. See the Quick Guide on Buying, Selling, and Transferring Liquor Licenses for more information on this topic.

REQUIREMENTS FOR CHANGING CONTACT INFORMATION

Licensees are required to notify ABRA of all contact information changes within 30 days of the change. This includes emails, telephone numbers, and mailing addresses of licensee or their designated representative. The failure to do so may result in a violation.

MANDATORY DISCLOSURE OF CRIMINAL CONVICTION

Licensees must report in writing all known criminal convictions, except for minor traffic offenses, committed by the ownership, licensed managers, or solicitors employed by the license holder. No reporting is required if the conviction is more than 5 years old.

REQUIREMENTS FOR LONG TERM OR PERMANENT CLOSURE

Licensees that are not in operation, discontinued, or otherwise out of business for a period of 21 days or longer must return the license to ABRA to be placed inactive status or safekeeping. The failure to return the license to ABRA may be deemed a violation.

UNDUE INFLUENCE

A wholesale license may be subject to revocation if a manufacturer of alcoholic beverages obtains such a significant direct or indirect interest in the wholesaler that it influences the wholesaler to purchase alcohol from the manufacturer. An interest may include an ownership or other share of the operations, management, or profits of the wholesaler. Nevertheless, there is an exception to this rule for manufacturers outside the District of Columbia owning and operating a District licensed wholesaler. See D.C. Official Code § 25-824 for further guidance.

VIOLATIONS

Violating of Title 25 of the D.C. Official Code and Title 23 of the Municipal Regulations, violating a Board Order, or otherwise allowing or permitting illegal activity on the premises may be punished by fine, and the suspension or revocation of the alcohol license. In addition, the Board may place further operational restrictions on the license if warranted.

CONTACT ABRA

For more information, visit [ABRA.DC.Gov](https://www.abra.dc.gov), call (202) 442-4423, or email ABRA@DC.Gov.