

Guidelines for Breweries for Participation in Events & Festivals

Step 1: Identify the Type of Event and Obtain the Required Permits and Approvals

- A. An event held at an unlicensed location, hosted by a nonprofit organization, with tickets or beer sales only by the nonprofit organization (“Type A Event”):
1. Permits: The nonprofit organization sponsor for the event is required to hold a **Special One-Time Permit**. Donating breweries are not required to hold a **Malt Beverage Special Event Permit**.
 2. Responsibility: As no other permits are in effect for a Type A event, the nonprofit organization holding the Special One-Time Permit must retain control over the event and the service and sale of alcohol at the event. The permit-holding nonprofit organization may be held responsible for any violations that occur at the event.
 - a. Only the nonprofit organization may engage in the sale of tickets and the sale or service of beer.
 - b. If brewery employees will be pouring at the event, they are required to serve as volunteers of the nonprofit organization who is the permit holder.
 3. Relationship: Breweries may sponsor the nonprofit organization, a Special One-Time Permittee, per the provisions of 14B N.C.A.C. 15C .0712.
 - a. The product selection cannot be exclusive, meaning the Special One-Time Permittee must solicit product donations of more than one brand and/or serve multiple brands of beer at the event.
- B. An event held at an unlicensed location, where beer sales will be conducted by each participating brewery (“Type B Event”):
1. Permits: Each participating brewery must have a **Malt Beverage Special Event Permit**.
 2. Location: The event/location must qualify as one of the following: “trade shows, conventions, shopping malls, malt beverage festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund- raisers, and other similar events approved by the Commission.” N.C.G.S. § 18B-1114.5.
 - a. If the event will be held at a shopping mall, or a location other than a trade show, convention, malt beverage festival, street festival, holiday

festival, agricultural festival, balloon race, or local fund-raiser, the brewery must obtain **Winery/Brewery Special Event Approval**.

3. Responsibility: Each participating brewery will be held responsible for any violations that occur at their booth space or by their employees or representatives.

C. An event held at an unlicensed location, where beer sales will be conducted by BOTH a nonprofit organization host and a participating brewery (“Type C Event”):

1. Permits: The nonprofit organization sponsor for the event is required to hold a **Special One-Time Permit**. Also, any breweries selling their product directly to event attendees must have a **Malt Beverage Special Event Permit**.
2. Responsibility: All permits will be in effect for such an event, and thus there will be some overlap.
 - a. The **Special One-Time Permit** will generally be in effect for the event location and at any booths where beer is poured as part of the ticket price or sold by the nonprofit organization. The permit-holding nonprofit organization may be held responsible for any violations that occur at the event.
 - b. Also, at any booths where breweries are selling their product, the brewery’s **Malt Beverage Special Event Permit** will be in effect. Each brewery selling their product will be held responsible for any violations that occur at their booth space or by their employees or representatives.
3. Relationship: Breweries may sponsor the nonprofit organization, a Special One-Time Permittee, per the provisions of 14B N.C.A.C. 15C .0712.
 - a. The product selection cannot be exclusive, meaning the Special One-Time Permittee must solicit product donations of more than one brand and/or serve multiple brands of beer at the event.

D. An event held on a retailer’s premises, hosted by a nonprofit organization, with tickets or beer sales only by the nonprofit organization (“Type D Event”):

1. Permit: The hosting nonprofit organization is required to hold a **Special One-Time Permit**. The retailer must hold an **On Premises Malt Beverage Permit**.
2. Responsibility: Only the hosting nonprofit organization or the retailer may engage in the sale of tickets or beer.
3. Relationship: Breweries may sponsor the nonprofit organization, a Special One-Time Permittee, per the provisions of 14B N.C.A.C. 15C .0712.

- a. The product selection cannot be exclusive, meaning the Special One-Time Permittee must solicit product donations of more than one brand and/or serve multiple brands of beer at the event.
 - b. The retailer is not permitted to keep any beer donated by participating breweries to the nonprofit organization for the event. Any unused product must remain in the possession of the nonprofit organization, or may be reclaimed by each donating brewery.
 - c. Each participating brewery will be required to complete and submit an **Industry Promotion Approval Form** in advance of the event (see “Reference 2” below for more information).
4. **All of the above holds true if the hosting retailer is also a brewery. A brewery’s taproom is a retail premises.**

Step 2: Identify Special Circumstances

A. Is a retailer sponsoring the event?

1. If a retailer will sponsor an event hosted by a nonprofit organization holding a **Special One-Time Permit**, all sponsoring breweries will be required to complete and submit an **Industry Promotion Approval** request in advance of the event (see “Reference 2” below for more information).
2. A retailer sponsoring an event hosted by a nonprofit organization holding a **Special One-Time Permit** is not permitted to take possession of any beer donated by participating breweries to the nonprofit organization for the event. Any unused product must remain in the possession of the nonprofit organization, or may be reclaimed by each donating brewery.

B. Are you an out-of-state brewery?

1. To participate in any event in North Carolina, you will need to hold a **Nonresident Malt Beverage Vendor Permit**.
2. If you will be participating in a Type B Event or a Type C Event, and will be selling beer at the event, you must also have a **Malt Beverage Special Event Permit**.
3. Out-of-state breweries must comply with all other applicable regulations described herein, as if they were an in-state brewery. This includes submitting a **Distribution Agreement Filing Form**, obtaining **Label/Product Approval**, and utilizing a wholesaler.

Step 3: Educate Brewery Employees and Representatives on Event Participation Guidelines

A. Pre-Event Compliance

1. All brands must have a **Distribution Agreement Filing Form** on file with the ABC, which covers the county or territory in which the festival is being held.
2. All products sold, served, or donated in NC must have **Label/Product Approval**.

B. Staffing at Event

1. Type A Event – When the brewery is participating in an event held solely under a **Special One-Time Permit**, the staffing may include:
 - a. Nonprofit Volunteer Server – Every booth must have at least one person responsible for serving the beer. This person is working as a volunteer for the nonprofit organization. This person may be an employee of the brewery who is volunteering for the nonprofit organization, or it may be a volunteer provided by the nonprofit organization. **This person may not engage in the consumption of alcoholic beverages before or while working at the event, even for quality control purposes.**
 - b. Brewery Representative – Your brewery may send a person representing the brewery, who may attend the event as an employee of the brewery to promote the brewery. This person must not engage in the service of beer, as this person is not a volunteer for the nonprofit organization.
2. Type B Event or Type C Event – When the brewery is operating under its **Malt Beverage Special Event Permit**, all persons working at the booth, serving beer, and/or representing the brewery are at the event as employees of the brewery.

C. Quality Control Tasting

1. Type A Event – When the brewery is participating in an event held solely under a **Special One-Time Permit**, the Nonprofit Volunteer Server may NOT taste the beer for quality control purposes. Quality control tasting may be performed by:
 - a. The Brewery Representative.
 - b. The nonprofit organization may provide person(s) responsible for assisting breweries with quality control tasting. The nonprofit organization should clearly identify such persons as “quality control assistants” or “draft technicians” (or similar), and those persons must not be involved in the service of beer at the event.

2. Type B Event or Type C Event – When the brewery is operating under its **Malt Beverage Special Event Permit**, all brewery employees working at the brewery booth are ineligible to taste beer for quality control, as the brewery’s Malt Beverage Special Event Permit is in effect for the event. A brewery employee may assist with setting up the booth, tasting the beer for quality control, changing kegs, and breaking down the booth at the conclusion of the event, but that employee must not otherwise work at the booth, or be involved in any way in the sale or service of alcohol during the event.

D. Event Attire

1. Type A Event – When the brewery is participating in an event held solely under a **Special One-Time Permit**, the Nonprofit Volunteer Server may not wear branded brewery attire. The Brewery Representative may wear branded brewery attire.
 - a. Best Practices – It is advisable to make each person’s role at the event clear to any ALE agent. Nonprofit Volunteer Servers should wear clothing, nametags, or lanyards identifying them as volunteers for the nonprofit, and preferably as a “server” or some other title that will indicate to the ALE that those persons are responsible for the service of beer. Also, the Brewery Representatives’ role as someone who is not eligible to serve beer may be clearer if the Brewery Representative stands to the side or front of the area where the brewery’s beer is served, rather than behind or inside the area where the beer is being served. Further, if the nonprofit organization provides “quality control assistants” or “draft technicians” to assist with quality control tasting, those persons should wear clothing, nametags, or lanyards identifying them as such.
2. Type B Event or Type C Event – When the brewery is operating under its **Malt Beverage Special Event Permit**, the brewery employees may wear branded brewery attire.

E. Alcohol Service Guidelines

1. Zero tolerance policy on serving to minors.
2. Do not serve intoxicated persons. If you are not comfortable making this call please ask for event security or police to assist.
3. Any pouring location is considered as a “point of sale” and is subject to all NC ABC/ALE regulations.

4. Servers are required to ask for identification (ID) if they have any suspicion. Age can be proven by the following forms of identification:
 - a. **Current Driver's License** – When drivers renew their license, the NC Division of Motor Vehicles provides a paper 20 day driving certificate and then mails the permanent photo ID/driver's license to the driver. Drivers are allowed to keep their old license until the renewed license is mailed to them. The temporary, 20 day paper license is considered a valid driver's license, but the customer should also show their expired license along with the paper certificate when asked for identification.
 - b. **U.S. Military ID** – These identifications are green & white with a photograph.
 - c. **North Carolina ID Card** – An official ID card that has a photograph issued to a person who does not drive.
 - d. **Official Passport** – Issued by any nation. Passports may be in the booklet or card form.
5. This holds true even if it is a 21+ age festival, and/or IDs are checked at gate. Wrist-bands are NOT considered proof of age.
6. If you sell or give a sample to someone underage, without requesting or verifying ID, it will be considered a criminal violation and there is no defense.

References

1. **Distribution Agreement Filing Form** – All brands sold in North Carolina are required to have a Distribution Agreement Filing Form on file with the ABC, designating the wholesaler(s) authorized to distribute the brand in territories in NC. The form is available at: <https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Product/Beer%20and%20Wine/Distribution%20Agreement%20Filing%20Form.pdf>
2. **Industry Promotion Approval** – This form is required to be submitted when an industry member sponsors or participates in a nonprofit organization event where a retailer will also be sponsoring the event. Provide as much information as possible about the event on this form. The form should be submitted via email to the ABC no less than two weeks prior to the event, but preferably earlier. With the ABC's permission, the event host may coordinate this process to submit a single Industry Promotion Approval package to the ABC, covering the event and all breweries participating in the event. Contact the event host to confirm responsibility for this request. Information regarding advertising must be included as part of this request. Each brewery may only disseminate approved advertising to promote an event

where a retailer is sponsoring or participating, to avoid a cooperative advertising violation. The approval request is submitted to the Legal Division, and is available at:

<https://ncbeer.org/wp-content/uploads/2015/12/Industry-Promotion-Approval-Form.v2.September-2015-1.pdf>

3. **Label/Product Approval** – All products sold, served, or donated in North Carolina must be approved by the ABC. The application is available at:
<https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Product/Beer%20and%20Wine/Label%20Product%20Approval%20Form%20and%20Instructions.pdf>
4. **Malt Beverage Special Event Permit** – This permit authorizes “the permittee to give free tastings of its malt beverages and to sell its malt beverages by the glass or in closed containers at trade shows, conventions, shopping malls, malt beverage festivals, street festivals, holiday festivals, agricultural festivals, balloon races, local fund-raisers, and other similar events” approved by the ABC. In- and out-of-state breweries are eligible for this permit. This permit is overseen by the Permit Division, and the application is available at:
[https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Permits/Commercial/1.%20Commercial%20Permit%20Application%20\(In-State\)/Commercial%20Permit%20Application.pdf](https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Permits/Commercial/1.%20Commercial%20Permit%20Application%20(In-State)/Commercial%20Permit%20Application.pdf)
5. **Nonresident Malt Beverage Vendor Permit** – An out-of-state brewery is required to hold this permit to “sell, deliver, and ship malt beverages” into North Carolina. This permit is overseen by the Permit Division, and the application is available at:
[https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Permits/Commercial/1.%20Commercial%20Permit%20Application%20\(In-State\)/Commercial%20Permit%20Application.pdf](https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Permits/Commercial/1.%20Commercial%20Permit%20Application%20(In-State)/Commercial%20Permit%20Application.pdf)
6. **On Premises Malt Beverage Permit** – This permit is necessary to serve beer for on-premises consumption in a permanent retail location. This permit is overseen by the Permit Division, and the application is available at:
[https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Permits/Retail/1.%20Retail%20Permit%20Application%20and%20Forms/Application%20for%20ABC%20Retail%20Permit\(s\).pdf](https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Permits/Retail/1.%20Retail%20Permit%20Application%20and%20Forms/Application%20for%20ABC%20Retail%20Permit(s).pdf)
7. **Special One-Time Permit** – A nonprofit or political organization may be eligible for this permit, which allows the sale or service of alcoholic beverages at a single fundraising event, which may be ticketed. This permit is overseen by the Permit Division, and the application is available at:

<https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Permits/Retail/2.%20Special%20One-Time%20Permit%20Application/Special%20One-Time%20Permit%20Application%20for%20Sale%20of%20Alcoholic%20Beverages.pdf>

8. **Winery/Brewery Special Event Approval** – Approval of an event where breweries will sell beer under their Malt Beverage Special Event Permit is required if the event will be held at a shopping mall, or a location other than a trade show, convention, malt beverage festival, street festival, holiday festival, agricultural festival, balloon race, or local fund-raiser. The approval request is available at:

<https://portal.abc.nc.gov/Public%20Web%20Documents/Divisions/Permits/Commercial/8.%20Misc%20Commercial%20Forms/Winery%20Brewery%20Special%20Event%20Approval%20Form.pdf>

We know that there are many details involved in preparing for a festival, however our hope is that this guide will aid in providing clarity and understanding, thereby creating a more efficient process and a better understanding of NC ABC regulations. However, if you have any questions regarding events or any of the items identified herein, please contact an attorney who can provide advice specific to your brewery.

Reviewed by ABC Commission Staff
June 2016