



NEW BREW!

5 REGULATORY TIPS FOR STARTING YOUR NEW BREWERY

BY BEAU BUMP

So you decided to start a brewery—that's awesome. You're in good company. The number of craft breweries in the U.S. has ballooned in the past decade, growing 322% from 1,500+ in 2007 to almost 6,400 in 2017.

Whether your new operation is a standalone brewery, brewpub, or a new feature to an existing restaurant, these five tips will help position your new brew for regulatory approval.

1 State and federal – both required, but in which order?

It's a basic question, but you have to start somewhere. In some jurisdictions, federal regulatory approval (by TTB) is required before you start the state process. In other jurisdictions, you can dual-track it and start down both paths at the same time. Knowing in which order you need to seek regulatory approval is important to kick off the party.

2 Location, location, location? Yep – you need one.

TTB requires that your building exist and equipment be at least on order for approval of your Brewer's Notice. Pick a home for your new brew early on.

3 Bond? What bond?

Thanks to the PATH Act of 2015, you are likely exempt from furnishing a bond to start operations from the federal standpoint. The exemption applies to producers who reasonably expect to incur not more than \$50,000 in annual excise tax liability, and who pay excise taxes on a semi-monthly, quarterly, or annual basis. Check with your state regulator in case there is a state-level bond requirement.

4 Pancake beer? Why not? Sounds delicious ...

If you plan to brew with non-traditional ingredients—even if you do not plan to distribute out of state—you may need to seek formula approval from TTB. But please don't let that prevent you from creating a pancake beer.

5 You might as well just tell them about it.

Once you have your product lineup in place, you likely need to register your product with your state regulator, and seek COLA approval from TTB if you plan to distribute your product out of state.

Navigating state and federal regulatory processes in a deliberate and strategic fashion will keep your new brewery on track to open, and will help to put even more delicious suds in our tulip glasses. Best of luck!



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