



Supplier Entertainment of Consumers at Invitation-Only Events

Recently enacted legislation (Assembly Bill 2293, Statutes 2008, effective January 1, 2009) creates new Section 25600.5 of the Business and Professions Code, a limited exception to Section 25600 (Free Goods).

Section 25600.5 allows a distilled spirits manufacturer, winegrower, rectifier or distiller, or its authorized unlicensed agent, to provide, free of charge, food, distilled spirits, wine or nonalcoholic beverages to consumers at an invitation-only event in connection with the sale or distribution of wine or distilled spirits, subject to the following conditions:

- No licensee, other than those specified in this section, may conduct or participate in any portion of an event authorized by this section.
- An authorized event shall be conducted on premises for which a caterer's permit authorization has been issued, except that any event held on the premises of a licensed winegrower shall not be authorized to provide any distilled spirits other than brandy.
- No event shall be conducted at retail-licensed premises.
- Except for fair market value payments authorized by this section, a licensed caterer shall not receive any other item of value or benefit in connection with events held under this section.
- The person authorized by this section to provide entertainment, food and beverages shall be present during the event and shall have sole responsibility for providing payment for the entertainment, food, beverages, and rental fees at the event. Payments for these items shall not exceed fair market value. No other licensed person shall be authorized to provide any portion of these payments.
- Requests for attendance at the event shall be by invitation sent to consumers over 21 years of age at a specific address via mail, e-mail, by telephone, or presented in person. Invitations or other

advertisements of the event shall not be disseminated by any other means. Invitations to an event shall not be sent by the authorized person or their authorized unlicensed agent inviting all of the employees of a retail licensee or a chain of retail licensees under common ownership.

- Attendance at an event shall be limited to consumers who receive and accept an invitation. Invited consumers may each invite one guest. All attendees must be over 21 years of age. The total number of consumers and their guests allowed at any event shall not exceed 400 people. Admittance shall be controlled by a list containing the names of consumers who accepted invitations and their guests.
- No premium, gift, free goods, or other thing of value may be given away in connection with the event, except as authorized by the ABC Act.
- The duration of any event shall not exceed four (4) hours.
- Events under this section are limited to either 12 or 24 per year depending on the number of invitees and their guests.
- The person authorized to conduct an event must furnish, in addition to other information required by the Department, the name of the company authorized to conduct the event, the number of people planned to be in attendance, the start and end times of the event, and the location of the event.
- All alcoholic beverages provided per this section shall be purchased from the holder of the caterer's permit.
- All alcoholic beverages served at an event shall be served in accordance with Sections 25631 and 25632.
- No person authorized to conduct an event under this section shall hold an event at the same location more than eight (8) times in a calendar year.
- The person authorized to conduct an event may provide attendees at the event with a free ride home. The free rides shall only constitute free ground transportation to attendees' homes or to hotels or motels where attendees are staying.

In addition to the prescribed fee imposed upon a licensed caterer to conduct an event authorized by this section, the Department will impose an administrative fee of \$200.00 per event.

Section 25600.5 shall remain in effect until January 1, 2014, and as of that date is repealed, unless a later statute enacted before January 1, 2014, deletes or extends that date.

Qualified suppliers and caterers may contact the Department's local District offices for further information as to how to apply for and conduct events authorized by the statute.