

# **California Department of Alcoholic Beverage Control**



## **2013 Summary of Chaptered Legislation**

Below is a summary of 2013 chaptered bills amending the Alcoholic Beverage Control (ABC) Act and the code sections affected by that legislation. All changes become effective January 1, 2014 except as otherwise noted. The text of these bills can be viewed at [www.leginfo.ca.gov](http://www.leginfo.ca.gov).

ABC Act

<u>Section</u>	<u>Subject</u>	<u>Bill Number</u>	<u>Effective</u>
172 (g) P.C.	Decreases "dry zone" around La Sierra College	SB 120	6/28/13
23012	Beer Manufacturer Definition	AB 647	
23039	Exempts certain for-profit theaters from the Public Premises definition	AB 525	
23104.2	Beer Returns/ Caterer Permits	AB 782	
23356.2	Non-profits and home-made wine/beer	AB 1425	
23356.8	Wine Blender Licenses	AB 1425	
23356.9	Wine Blender Licenses and Wine Tasting	AB 1425	
23357	Beer Manufacturers / Cider and Perry	AB 779	
23363.1	Distilled Spirits Tasting Restriction	AB 933	
23363.3	Brandy Manufacturer Tasting Restrictions	AB 933	
23375	Public Warehouse Duplicate License	SB 818	
23450	Veterans License	SB 818	
23826.125	Additional Licenses for San Luis Obispo	AB 461	
23986	Publication of Notices for License Application	AB 593	
24013	Promulgation of Regulations Regarding Protest	AB 593	1/1/16
24014	Prohibits Petition Style Protest	AB 593	
24041	Public Warehouse Licenses	SB 818	
24045.75	On-Sale General License for For-Profit Theaters	AB 525	
24070	License Transfers Code Update	SB 818	
25200	Growler Refill Labeling	AB 647	
25503.3	Beer Manufacturers Trade and Guild Meetings	AB 647	
25503.4	Winemakers Autographing Authorization	AB 636	
25503.6	Advertising Exemption for the Forum in Inglewood	SB 324	8/27/13
25503.31	Symphony Associations Sunset Date	AB 1425	
25600.5	Invitation Only Parties at Licensed Hotels	AB 1116	
25605	On-Line Alcoholic Beverage Orders for Off-sales	SB 818	

## **AB 461(D) San Luis Obispo County 5 new on-sale general licenses**

**Chapter No.:** 110

**Effective:** 1/1/14

**Summary:** This bill authorize ABC to issue a total of five additional new original on-sale public eating place licenses (Type 47) in a 3-year period from 01/01/2014 to 12/31/2016, for bona fide public eating places having a seating capacity for 50 or more diners. The bill also,

- Specifies that no more than 5 on-sale general licenses shall be issued under this bill.
- Requires ABC to follow existing "drawing for priority" procedures with respect to the issuance of these new licenses as set forth in Section 23961 of the ABC Act if there are more applicants than available licenses.
- Provide that a person who currently holds a valid on-sale general license for seasonal businesses (Type 49) is not prohibited from applying for an original on-sale general license pursuant to this section.
- Make it explicit that a license issued pursuant to this bill shall neither be transferred from one county to another nor transferred to any premise not qualifying under the bill.

### **Sections:**

An act to add Business and Professions Code Section 23826.12.

## **AB 525 (Ting D) Alcoholic beverage control: licensees**

**Chapter No.:** 235

**Effective:** 1/1/14

**Summary:** This bill permits the ABC to issue a new special on-sale general license to the operator of any for-profit theater located in the City and County of San Francisco, configured with theatrical seating of at least 1,000 seats and primarily devoted to live theatrical performances, which would permit sales, service, and consumption of alcoholic beverages in the lobbies and seating areas of the theater at specified times. The bill also,

- Specifies that any special on-sale general license issued shall be subject to the limitations provided in existing law that caps the number of new on-sale general licenses issued by the ABC at one for every 2,000 inhabitants of the county where the establishment is located.
- Specifies that the theater issued the license is not mandated to operate the premises as bona fide public eating place.
- Stipulates that the special on-sale general license shall permit sales, service, and consumption of alcoholic beverages in the lobbies and seating areas of the theater for the period beginning two consecutive hours prior to a live theatrical performance and ending one hour after the performance is completed.
- Makes it explicit that a special on-sale general license, provided for in this measure, is not to be issued until any existing license or licenses issued by the ABC for the premises of the for-profit theater are cancelled.
- Specifies that a "for-profit theater" shall not include an adult or sexually oriented business defined in Section 318.5 of the Penal Code.

### **Sections:**

An act to amend Section 23039 and add Section 24045.75 to the Business and Professions Code. The special general on-sale for-profit theater license will be known as a type 71.

## **AB 593 (Quirk D) Publication Notice and Protest**

**Chapter No.:** 502

**Effective:** 1/1/14, 1/1/16

**Summary:** This bill,

- Exempts applicants for new on-sale or off-sale retail licenses from an existing requirement to publish a notice of the application in a newspaper of general circulation in the city in which the premises are situated if they are also required to provide specified notices via mail of application for licenses.
- Requires the ABC to promulgate regulations, by January 1, 2016, regarding responding to alcoholic beverage license protests.
- Requires that a protest submitted by a person other than an employee of the ABC or a public officer must be submitted by an individual, rather than by a petition signed by multiple individuals.

### **Sections:**

An act to amend Sections 23986, 24013 and 24014 of the Business and Professions Code.

## **AB 636 (Hall D) Common interest developments**

**Chapter No.:** 329

**Effective:** 1/1/14

**Summary:** This bill,

- Creates a separate section in the Alcoholic Beverage Control Act (ABC Act) relating to "winemaker's instructional events," to allow winegrowers and wine importers appearing at winemaker's instructional events for consumers that are held at a retailer's licensed premises to provide autographs on bottles and other items for consumers.
- Makes it explicit that no purchase of any alcoholic beverage shall be required in connection with the autographing of consumer advertising specialties.
- This bill is similar to an existing tied-house exception in the ABC Act that authorizes, until January 1, 2016, wine, beer and spirits producers to participate in promotional events held at an off-sale retail licensed location for the purpose of providing autographs on bottles or other items to consumers.

### **Sections:**

An act to amend Section 25503.4 of the Business and Professions Code.

## **AB 647 (Chesbro D) Growlers and Beer Manufacturers**

**Chapter No.:** 686

**Effective:** 1/1/14

**Summary:** This bill, clarifies that all beer sold in California must have a label affixed to the package or container that includes the "brand and type of beer." Makes changes to the definition of "beer manufacturer" to include only those persons that have facilities and equipment for the purposes of, and are engaged in, the commercial manufacture of beer.

- Requires a beer manufacturer that refills any container supplied by a consumer to affix a label, as specified, on the container prior to its resale to the consumer.

- Makes it clear that any information concerning any beer previously packaged in the container, including information regarding the manufacturer bottler of the beer, or any associated brands or trademarks must be removed or completely obscured in a manner not readily removable by the consumer prior to resale.
- Prohibits a beer manufacturer from re-filling a container supplied by a consumer with a capacity of five liquid gallons or more.
- Allows a beer manufacturer or brewpub-restaurant licensee to serve beer produced by the manufacturer or brewpub-restaurant licensee to attendees at a meeting of a bona fide beer manufacturer or brewer's guild held on the premises of a beer manufacturer.

**Sections:**

An act to amend Sections 23012, 25200, and 25503.3 of the Business and Professions Code.

**AB 779 (Bocanegra D) Beer manufacturers: Cider and Perry**

**Chapter No.:** 379

**Effective:** 1/1/14

**Summary:** This bill,

- Authorizes a beer manufacturer to produce two types of alcoholic beverage at a single manufacturing location, as specified.
- Authorizes a licensed beer manufacturer that produces more than 60,000 barrels of beer annually and is authorized to manufacture cider and perry at the licensed premises of production to sell the product to a licensee authorized to sell wine.

**Sections:**

An act to amend Section 23357 of the Business and Professions Code.

**AB 782 (Bocanegra D) Beer Returns: Caterer's Permit**

**Chapter No.:** 242

**Effective:** 1/1/14

**Summary:** This bill,

- Permits an on-sale retail licensee, that purchases beer for sale at an event for which a caterer's event permit has been issued by the ABC, to return the unused and unopened beer to the original selling licensee at the conclusion of the catered event or upon expiration of the catering authorization.
- Specifies that only beer purchased for use or sale at the event may be returned.
- Specifies only on-sale retail licensee that do not provide any beer for use or sale at the event from its permanent licensed premises are allowed to return unused unopened beer.
- Requires the on-sale retail licensee holding the catering authorization to record and maintain a record of the inventory of all unused and unopened beer to be returned at the conclusion of the catering event.
- Requires the original selling licensee to prepare an invoice of the returned beer that references the original sales invoice and also provide the on-sale retail licensee holding the catering authorization a copy of the invoice.

- Specifies that any beer returned must be delivered to the original selling licensee at the conclusion of the catered event or upon expiration of the catering authorization.
- Permits the original selling licensee to credit the account of the on-sale retail licensee in an amount not to exceed the original sales price of the returned beer, provided the beer has been paid for in full.

**Sections:**

An act to amend Section 23104.2 of the Business and Professions Code.

**AB 933 (Skinner D) Distilled Spirits Tastings**

**Chapter No:** 366

**Effective:** 1/1/14

**Summary:** This bill,

- Adds legislative findings and declarations that a tasting of distilled spirits or brandy is a presentation of samples of alcoholic beverages representing one or more manufacturers to a group of consumers for the purpose of acquainting the tasters with the characteristics of the distilled spirits or brandy tasted.
- Specifies that tastings of "distilled spirits" on the manufacturer's premises shall be subject to the following conditions:
  - a) Tastings of distilled spirits shall not exceed one-fourth of one ounce and shall be limited to no more than six tastes per individual per day.
  - b) Tastings must only include the products that are authorized to be produced or bottled by or for the licensee.
  - c) Prohibits individuals less than 21 years of age from serving tastings.
  - d) Prohibits tastings in the form of a cocktail or mixed drink.
  - e) Permits the distilled spirits manufacturer to charge for such tastings.
- Adds a new Section of law to the ABC Act authorizing a licensed "brandy" manufacturer to conduct tastings of brandy produced or bottled by, or produced or bottled for the licensee, on or off the licensee's premises for events sponsored by a nonprofit organization, as defined, and only if persons attending the event are affiliated with the sponsor. (This provision mirrors existing ABC law relative to authorization granted to distilled spirits manufacturers.)
- Makes it explicit that no brandy shall be sold or solicited for sale at the event and mandates that the sponsoring organization obtain a permit for such an event from the ABC. Additionally, grants brandy manufacturers the privilege of conducting tastings on their licensed premises and charging for those tastings subject to the same conditions afforded distilled spirits manufacturers.
- Includes legislative findings and declarations relative to the necessity of requiring a separation between the three-tiers of the alcoholic beverage industry in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques.
- Specifies that the provisions of this bill do not relieve the holder of a distilled spirits manufacturer's license or a brandy manufacturer's license of any civil or criminal liability arising from a violation of BPC Section 25602.

**Sections:**

An act to amend Section 23363.1 and to add Section 23363.3 to the Business and Professions Code.

## **AB 1116 (Hall D) Invitation-only events at Licensed Hotels**

**Chapter No:** 461

**Introduced:** 1/1/14

**Summary:** This bill,

- Expands existing law permitting certain alcoholic beverage producers to hold private, free-of-charge, invitational-only promotional events, with entertainment, food and beverages, for a limited number of consumers over 21 years of age and subject to specified conditions, to also allow such events to be held on the premises of a "hotel," and to include out-of-state distilled spirits shipper's certificate holders in the authorization.
- Prohibits the use of the lobby area of a hotel or in any portion of the hotel identified, promoted, or designated by the hotel as a club, nightclub, or other similar entertainment venue for these authorized events.
- Requires a hotel, where the authorized event is being held, to maintain, at all times while exercising its license privileges, other areas within the licensed premises for the public not attending the authorized event.
- Clarifies that neither a retail licensee conducting the event nor the licensed hotel can be provided anything of value other than fair market value payments.
- Increases from 400 to 600, the total number of consumers and guests allowed at any such event and limits a licensee's use of the same hotel or hotel chain to no more than two times per calendar year.
- Prohibits the advertisement of any retail licensee, with the specified exception of identification of the event's location.
- Requires the retail licensee to sell other alcoholic beverages in addition to those of the licensee conducting the event.
- Requires the licensee or authorized unlicensed agent, at least 30 days prior to the event, to apply and provide specified information to ABC for a permit authorizing the event.
- Clarifies that a caterer's authorization, if required, must also be provided.
- Extends the current sunset on this body of law by four years, from January 1, 2014 to January 1, 2018.

### **Sections:**

An act to amend Section 25600.5 of the Business and Professions Code.

## **AB 1425 (Assembly G.O.) Home Brew and ABC's Annual Report**

**Chapter No.:** 463

**Effective:** 1/1/14

**Summary:** This bill,

- Requires ABC to post its annual report to the Legislature on its Internet website by March 1 of each year instead of submitting it to the Legislature.
- Removes the obsolete grandfather clauses that allows wine blender licensees issued prior to February 2, 1968 to hold retail licenses.
- Deletes the existing tied-house exception "sunset" pertaining to the San Francisco Symphony which allows specified alcohol licenses to make monetary or alcoholic beverage contributions to the association.

- Authorizes beer or wine made for personal or family use to be donated to a nonprofit organization and used at a fundraising event conducted solely by and solely for the benefit of the nonprofit organization, as specified.
- Specifies that donated beer and wine may be sold by the nonprofit organization only for consumption on the premises of the fundraising event and only under a license issued by ABC to the nonprofit organization, as defined.
- Requires beer or wine when donated to a nonprofit organization, must be labeled with designated information it would otherwise be exempt from complying with.

**Sections:**

An act to amend Sections 23055, 23356.2, 23356.8, 23356.9, and 25503.31 of the Business and Professions Code.

**SB 120 (Roth D) La Sierra College “Dry Zone”**

**Chapter No.:** 43

**Effective:** 6/28/13

**Summary:** This bill,

- Reduces from one mile to one-half mile the statutory boundary for the sale or exposure for sale of intoxicating liquor from the entrance of La Sierra College located in the City of Riverside
- Makes non-substantive technical amendments to the numbering of subdivisions.
- Specifies a person who violates this provision is subject to a fine of no less than \$100, imprisonment in a county jail of no less than 50 days nor more than one year, or both that fine and imprisonment.
- This bill takes effect immediately.

**Sections:**

An act to amend Section 172(g) of the Penal Code.

**SB 324 (Wright D) Advertising: Tied-House**

**Chapter No.:** 164

**Effective:** 8/27/13

**Summary:** This bill extends the existing "tied-house" exception pertaining to the general prohibition against advertising arrangements between retail, wholesale and manufacturer licensees to an arena known as the Forum in the city of Inglewood.

**Sections:**

An act to amend Section 25503.6 of the Business and Professions Code.

**SB 818 (Senate G.O.) Annual ABC Code Clean-up and Type 14 Licenses**

**Chapter No.:** 337

**Effective:** 1/1/14

**Summary:** This bill,

- Allows ABC to issue to the holder of a public warehouse license a duplicate of that license for each additional warehouse operated by that licensee.



- Authorizes the exercise of all privileges of the original public warehouse license at the additional duplicate licensed public warehouse.
- Specifies that the fee for a duplicate warehouse license is \$1. States that the term "duplicate warehouse license" applies only to instances where ABC has issued a duplicate warehouse license.
- Adds persons who have served in the Air Force and Coast Guard in the definition of "veteran" for purposes of being eligible for a Veterans Club license.
- Clarifies that an original general license cannot be transferred from one county to another for more than the fee set by statute for five years from the date it was last transferred between counties. The current fee for original general licenses is set in BPC Section 23954.5(b) at \$13,800.
- Adds electronic communication, in addition to telephone communication, as a form by which alcohol orders may be placed. The existing code was enacted in 1963 before e-mail and other forms of electronic communication existed.

**Sections:**

An act to amend Sections 23375, 23450, 24041, 24070, and 25605 of the Business and Professions Code.