

California Department of Alcoholic Beverage Control



2019 Chaptered Legislation Code Section Updates

Code Section Updates by Bill Number

1. **Assembly Bill No. 205 – (Daly) - Alcoholic beverage licenses: beer.**
Amends Section 23006 of the Business and Professions Code, relating to alcoholic beverages **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill revised the definition of “beer” for purposes of the Alcoholic Beverage Control Act to provide that beer may be produced using honey, fruit, fruit juice, fruit concentrate, herbs, spices, and other food materials, as adjuncts in fermentation.

2. **Assembly Bill No. 436 – (Aguilar-Curry) - Alcoholic beverage: tied-house restrictions: advertising: City of Napa.**
Adds Section 25503.32 to the Business and Professions Code, relating to alcoholic beverages **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill extended an existing tied-house exception in the Alcoholic Beverage Control Act which generally prohibits advertising arrangements between retail, wholesale and manufacturer licensees, to allow beer manufacturers, winegrowers, distilled spirits rectifiers, distilled spirits manufacturers, or distilled spirits manufacturer’s agents to purchase advertising space and time at a performing arts venue and adjacent performance area located in the City of Napa called the Napa Opera House.

3. **Assembly Bill No. 840 – (Dahle) - Alcoholic beverages: licenses: imports.**
Amends Section 23661 of, and to add Section 23399.52 to, the Business and Professions Code, relating to alcoholic beverages **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill authorized the Department of Alcoholic Beverage Control to issue a special on-sale general alcoholic beverage license for the Cal Neva Resort & Casino under specified circumstances. Since this casino is located on the border of California and Nevada, with the majority of the premises located in Nevada, this bill prescribed that all sales are deemed to take place in the state of Nevada. The license was issued to ensure the Department has appropriate enforcement authority for activity that takes place on the California side of the business.

4. Assembly Bill No. 1133 – (Low) - Beer: premiums, gifts, and free goods.

Adds and repeal Section 25600.05 of the Business and Professions Code, relating to alcoholic beverages **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill authorized a beer manufacturer to give up to five cases of retail advertising glassware to each on-sale retail licensee and allowed an on-sale retail licensee to accept, up to 10 cases of retail advertising glassware, per year per licensed premises, from any licensed beer manufacturers. This bill did not prescribe a value limit on the provided glassware.

5. Assembly Bill No. 1265 – (Parks) - Alcoholic beverage licensees: donations.

Amends Section 25503.9 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately **(Effective June 26, 2019)**

Summary of Code Section Changes - This bill added distilled spirits wholesalers to the list of licensees that may give or sell beer, wine, or distilled spirits to certain nonprofit organizations and revised the prohibition exemption for a beer and wine wholesaler that also holds an importer's license to allow that licensee to give or sell beer or wine to a nonprofit.

6. Assembly Bill No. 1308 – (Cunningham) - Students in hotel management or culinary arts programs: tastings.

Amends Section 25668 of the Business and Professions Code, relating to alcoholic beverages **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill allowed a student under the age of 21 to taste, but not consume, an alcoholic beverage and exempted the student and the qualified academic institution in which the student is enrolled from criminal prosecution if the qualified academic institution has established an associate degree or a bachelor's degree program in hotel management or culinary arts, as provided.

7. Assembly Bill No. 1311– (Ting) -Neighborhood-restricted special on-sale general licenses: transfers.

Amends Section 23826.13 of the Business and Professions Code, relating to alcoholic beverages **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill authorized the Department of Alcoholic Beverage Control to allow a Type 87 Special Neighborhood alcoholic beverage license, previously created under SB 1285 (Leno), Chapter 790, Statutes of 2016, and AB 471 (Ting), Chapter 442, Statutes of 2017, to be to be transferred within the same neighborhood.

8. Assembly Bill No. 1370 – (Chiu) - Alcoholic beverage licenses: nonprofit arts foundation.

Amends Section 23039 of, and to add Section 24045.78 to, the Business and Professions Code, relating to alcoholic beverages **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill authorized the Department of Alcoholic Beverage Control to issue a special on-sale general alcoholic beverage license to Saint Joseph's Arts Society, a nonprofit organization, operating within Saint Joseph's Church in San Francisco. The special license allows the sales, service and consumption of beer, wine, and distilled spirits on the premises of Saint Joseph's Church.

9. Assembly Bill No. 1825 – (Committee on Governmental Organization.) - Alcoholic beverage control.

Amends Sections 25503.6 and 25607 of the Business and Professions Code, relating to alcoholic beverage control **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill covered two distinct subjects. First, this bill authorized specified alcoholic beverage licensees that hold more than one kind of license at a single location to store and produce multiple types of alcoholic beverages at that same location. Second, this bill expanded an existing tied-house exception to allow advertising alcohol to be placed in areas within a retail, entertainment, commercial, and mixed-use development which includes the stadium and performance venue, under certain conditions.

10. Senate Bill No. 21 – (Dodd) - Alcoholic beverages: brewpub-restaurant licenses.

Amends Section 23396.3 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately **(Effective September 27, 2019)**

Summary of Code Section Changes - This bill contained an urgency clause and lowered the required minimum brewing production of a brewpub-restaurant license from 200 barrels per year to 100 barrels per year. This bill contained further provisions which restrict a brew-pub restaurant from selling, furnishing, or exchanging alcoholic beverages with beer manufacturers under the common ownership or control of the brew-pub restaurant licensee.

11. Senate Bill No. 717 – (Jones) - Craft Distillers: Advertising.

Amends Section 25503.6 of the Business and Professions Code, relating to alcoholic beverages **(Effective January 1, 2020)**

Summary of Code Section Changes - This bill extended an existing tied-house exception prohibiting advertising arrangements between retail, wholesale, and manufacturer licensees to authorize a craft distiller to purchase advertising space from, or on behalf of, an on-sale retail licensee subject to the same conditions as other alcohol manufacturers.

12. Senate Bill No. 788 (Committee on Governmental Organizations)- Alcoholic beverages: appeals: decision: tied-house restrictions.

Amends Sections 23080, 23090.5, 25503.4, 25503.56, and 25503.57 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately **(Effective September 5, 2019)**

Summary of Code Section Changes - This bill was the result of the Department's 2019 Legislative proposal and revised the definition of "decision" when used in reference to the department to exclude any emergency decision for temporary, interim relief issued by the department. This bill also provided that a superior court shall have jurisdiction to review an emergency decision issued by the department. The bill further provided a technical amendment to provide clarity to legislation signed during 2018 concerning tied-house laws governing alcohol advertising on social-media.

Summary of 2019 Code Section Updates

The following is a summary of changes made to the ABC Act during the 2019 legislative session. Attached is the revised language for each amended or added section.

Business & Professions Code (BPC) Section	Page	Bill Number (Author)	Subject
23006	6	AB 205 (Daly)	Alcoholic beverage licenses: beer.
23039, 24045.78	6	AB 1370 (Chiu)	Alcoholic beverages licenses: nonprofit arts foundation.
23080, 23090.5, 25503.4, 25503.56, and 25503.57	8	SB 788 (Senate G.O. Committee)	Alcoholic beverages: appeals: decision: tied-house restrictions.
23396.3	17	SB 21 (Dodd)	Alcoholic beverages: brewpub-restaurant licenses.
23661, 23399.52	20	AB 840 (Dahle)	Alcoholic beverages: licenses: imports.
23826.13	23	AB 1311 (Ting)	Neighborhood-restricted special on-sale general licenses: transfers.
25503.32	26	AB 436 (Aguiar-Curry)	Alcoholic beverages: tied-house restrictions: advertising: City of Napa.
25503.6	28	SB 717 (Jones)	Craft Distillers: Advertising.
25503.6, 25607	34	AB 1825 (Assembly G.O. Committee)	Alcoholic beverage control.
25503.9	45	AB 1265 (Parks)	Alcoholic beverage licensees: donations.
25600.05	48	AB 1133 (Low)	Beer: premiums, gifts, and free goods.
25668	50	AB 1308 (Cunningham)	Students in hotel management or culinary arts programs: tastings.

B&P Code Section 23006 *(Effective January 1, 2020)*

Assembly Bill No. 205 - (Daly) - Alcoholic beverage licenses: beer.

An act to amend Section 23006 of the Business and Professions Code, relating to alcoholic beverages.

Summary of Code Section Changes - This bill revised the definition of “beer” for purposes of the Alcoholic Beverage Control Act to provide that beer may be produced using honey, fruit, fruit juice, fruit concentrate, herbs, spices, and other food materials, as adjuncts in fermentation.

SECTION 1.

Section 23006 of the Business and Professions Code is amended to read:

23006.

“Beer” means any alcoholic beverage obtained by the fermentation of any infusion or decoction of barley, malt, hops, or any other similar product, or any combination thereof in water, and includes ale, porter, brown, stout, lager beer, small beer, and strong beer, but does not include sake, known as Japanese rice wine. Beer may be produced using the following materials as adjuncts in fermentation: honey, fruit, fruit juice, fruit concentrate, herbs, spices, and other food materials. Beer aged in an empty wooden barrel previously used to contain wine or distilled spirits shall be defined exclusively as “beer” and shall not be considered a dilution or mixture of any other alcoholic beverage.

B&P Code Section 23039, 24045.78 *(Effective January 1, 2020)*

Assembly Bill No. 1370 – (Chiu) - Alcoholic beverage licensees: nonprofit arts foundation.

An act to amend Section 23039 of, and to add Section 24045.78 to, the Business and Professions Code, relating to alcoholic beverages.

Summary of Code Section Changes - This bill authorized the Department of Alcoholic Beverage Control to issue a special on-sale general alcoholic beverage license to Saint Joseph's Arts Society, a nonprofit organization, operating within Saint Joseph's Church in San Francisco. The special license allows the sales, service and consumption of beer, wine, and distilled spirits on the premises of Saint Joseph's Church

SECTION 1.

Section 23039 of the Business and Professions Code is amended to read:

23039.

(a) “Public premises” means:

(1) Premises licensed with any type of license other than an on-sale beer license, and maintained and operated for the selling or serving of alcoholic beverages to the public for consumption on the premises, and in which food shall not be sold or served to the public as in a bona fide public eating place, but upon which premises food products may be sold or served incidentally to the sale or service of alcoholic beverages, in accordance with rules prescribed by the department.

(2) Premises licensed with an on-sale beer license, in which food shall not be sold or served to the public as in a bona fide public eating place, and in which sandwiches, salads, desserts, and similar short orders shall not be sold and served, in accordance with rules prescribed by the department.

(b) "Public premises" does not include any of the following:

(1) Railroad dining or club cars, passenger ships, airplanes, or bona fide clubs after the clubs have been lawfully operated for not less than one year.

(2) Historic units of the state park system.

(3) Premises being operated under a temporary on-sale beer license other than permitted pursuant to Section 24045.5, or on-sale beer licensed stadia, auditoria, fairgrounds, or racetracks.

(4) Nonprofit theater companies licensed pursuant to Section 24045.7.

(5) Theaters licensed pursuant to Section 24045.75.

(6) Cemeteries licensed pursuant to Section 24045.76.

(7) Winegrowers' premises.

(8) Licensed premises of a nonprofit arts foundation licensed pursuant to Section 24045.78.

SEC. 2.

Section 24045.78 of the Business and Professions Code is amended to read:

24045.78.

(a) The department may issue a special on-sale general license to a nonprofit arts foundation operating within a former church that is over 100 years old, on the National Register of Historic Places, and is located in designated Landmark No. 120 by the City and County of San Francisco, and is exempt from the payment of income taxes under Section 23701d of the Revenue and Taxation Code and Section 501(c)(3) of the Internal Revenue Code.

(b) The special on-sale general license shall permit sales, service, and consumption of beer, wine, and distilled spirits on the licensed premises. Any special on-sale general license issued pursuant to this section shall not be subject to the limitations provided by Section 23816 and shall not be required to be operated as a bona fide public eating place.

(c) (1) The fee for the original special on-sale general license shall be the same as that specified in Section 23954.5 for an original on-sale general license.

(2) The annual license fee for the special on-sale general license shall be the same of that for an on-sale general license.

SEC. 3.

The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique nature of the nonprofit arts foundation's use of the former church and landmark structure to promote the long-term preservation of the premises as a hub of social, cultural, and community activity in the City and County of San Francisco.

SEC. 4.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

B&P Code Section 23080, 23090.5, 25503.4, 25503.56 & 25503.57 *(Effective September 5, 2019)*

Senate Bill No. 788 – (Senate G.O. Committee) - Alcoholic beverages: appeals: decision: tied-house restrictions.

An act to amend Sections 23080, 23090.5, 25503.4, 25503.56, and 25503.57 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

Summary of Code Section Changes - This bill is the result of the Department's 2019 Legislative proposal and revised the definition of "decision" when used in reference to the department to exclude any emergency decision for temporary, interim relief issued by the department. This bill also provided that a superior court shall have jurisdiction to review an emergency decision issued by the department. The bill further provided a technical amendment to provide clarity to legislation signed during 2018 concerning tied-house laws governing alcohol advertising on social-media.

SECTION 1.

Section 23080 of the Business and Professions Code is amended to read:

23080.

As used in this article, “decision” when used in reference to the department means any final determination of the department imposing a penalty assessment or affecting a license which may be appealed to the board under Section 22 of Article XX of the California Constitution, and does not include any emergency decision for temporary, interim relief issued pursuant to the authority conferred to the department pursuant to Section 11460.10 of the Government Code.

SEC. 2.

Section 23090.5 of the Business and Professions Code is amended to read:

23090.5.

(a) Except as provided in subdivision (b), a court of this state, except the Supreme Court and the courts of appeal to the extent specified in this article, shall not have jurisdiction to review, affirm, reverse, correct, or annul any order, rule, or decision of the department or to suspend, stay, or delay the operation or execution thereof, or to restrain, enjoin, or interfere with the department in the performance of its duties, but a writ of mandate shall lie from the Supreme Court or the courts of appeal in any proper case.

(b) Notwithstanding subdivision (a), a superior court shall have jurisdiction to review an emergency decision issued by the department pursuant to Article 13 (commencing with Section 11460.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code, in the manner provided by Section 11460.80 of the Government Code. Review by a superior court pursuant to this subdivision shall not be construed as giving the superior court jurisdiction over any other matter or aspect of a case pending before the department. The decision of a superior court following review of the emergency decision shall not be considered by the department in connection with the adjudicative proceedings commenced as required by Section 11460.60 of the Government Code, or by the Alcoholic Beverage Control Appeals Board, court of appeal, or Supreme Court upon review of a final decision of the department.

SEC. 3.

Section 25503.4 of the Business and Professions Code is amended to read:

25503.4.

(a) Notwithstanding any other provision of this division, a winegrower, California winegrower’s agent, wine importer, or any director, partner, officer, agent, or representative of that person, may conduct or participate in, and serve wine at, an instructional event for consumers held at a retailer’s premises featuring wines produced by or for the winegrower or, imported by the wine importer, subject to the following conditions:

(1) No premium, gift, free goods, or other thing of value may be given away in connection with the instructional event by the winegrower, California

winegrower's agent, wine importer, or retailer, except as authorized by this division.

(2) No alcoholic beverages may be given away in connection with the instructional event except that minimal amounts of wine, taken from barrels or from tanks, may be supplied and provided as samples at the instructional event. A person authorized by subdivision (a) may also provide no more than three one-ounce tastes of wine per consumer at the instructional event from bottles of wine provided by the authorized person. For purposes of this section, minimal amounts of the samples or tastes provided at the instructional event do not constitute a thing of value. Following the instructional event, any unused wine provided by the authorized person shall be removed from the retailer's premises by the authorized person.

(3) No alcoholic beverages may be sold at the instructional event, except that orders for the sale of wine may be accepted by the winegrower if the sales transaction is completed at the winegrower's premises.

(b) Notwithstanding Section 25502.2, a person identified in subdivision (a) appearing at an instructional event described in subdivision (a) may, in addition to other permitted activities, provide autographs to consumers on consumer advertising specialties given by the person to a consumer or on any item provided by a consumer. No purchase of any alcoholic beverage shall be required in connection with such autographing.

(c) Notwithstanding any other provision of this division, in addition to any point-of-sale advertising or other advertising items allowed under this division or under rules of the department, a winegrower, California winegrower's agent, or wine importer, in advance of an instructional event for consumers being held at a retailer's premises, may list in any advertisement for the instructional event the name, address, telephone number, email address, internet website address, and any other electronic media of the retailer, the names of the wines being featured at the instructional event, pictures, illustrations, and depictions of the retailer's premises, personnel, and customers, and the time, date, and location of, and other information about, the instructional event, provided:

(1) The advertisement does not also contain the retail price of the wines.

(2) The listing of the retailer's name, address, telephone number, email address, internet website address, and any other electronic media in the advertisement, and any pictures, illustrations, or depictions, are relatively inconspicuous in relation to the advertisement as a whole. Laudatory references to the retailer in these advertisements are not authorized. Pictures, illustrations, or depictions shall be still pictures, illustrations, or depictions only and shall not include any video. The

reposting of social media posts, including posts by the retailer, is permitted provided that the reposting complies with all the requirements of this section.

(d) Notwithstanding any other provision of this division, the name, address, telephone number, email address, internet website address, and any other electronic media of a winegrower, wine importer, or winegrower's agent licensee, the brand names of wine being featured, and the time, date, location, and other identifying information of a wine promotional lecture at retail premises may be listed in advance of the event in an advertisement of the off-sale or on-sale retail licensee.

(e) Nothing in this section authorizes a winegrower, wine importer, or winegrower's agent licensee to share in the costs, if any, of the retailer licensee's advertisement.

(f) Nothing in this section authorizes any person to consume any alcoholic beverage on any premises licensed with an off-sale retail license.

SEC. 4.

Section 25503.56 of the Business and Professions Code is amended to read:

25503.56.

(a) An authorized licensee, or a designated representative of an authorized licensee acting as an agent of the authorized licensee, may conduct, on the area specified by paragraph (1) of subdivision (c) of Section 23396.6, an instructional tasting event for consumers on the subject of wine, beer, or distilled spirits, including, but not limited to, the history, nature, values, and characteristics of wine, beer, or distilled spirits, and the methods of presenting and serving wine, beer, or distilled spirits.

(1) (A) Except as provided in subparagraph (B), the instructional tasting event may include the serving of alcoholic beverages to an attendee of legal drinking age. An instructional tasting event on the subject of wine or distilled spirits shall be limited to not more than three tastings per person per day. A single tasting of distilled spirits shall not exceed one-fourth of one ounce and a single tasting of wine shall not exceed one ounce. An instructional tasting event on the subject of beer shall be limited to not more than the tasting of eight ounces of beer per person per day. The wine, beer, or distilled spirits tasted shall be limited to the products that are authorized to be sold by the authorized licensee and the licenseholder under its off-sale license.

(B) A beer and wine wholesaler may conduct an instructional tasting event but shall not serve tastes of beer unless the beer and wine wholesaler also holds a beer manufacturer's license, an out-of-state beer manufacturer's certificate, or more than six distilled spirits wholesaler's licenses.

(C) No charge of any sort shall be made for the tastings. Except for the purposes of Section 23985, the serving of tastings shall not be deemed a sale of products pursuant to this division.

(D) A person under 21 years of age shall not serve wine, beer, or distilled spirits at the instructional tasting event.

(E) All tastes shall be served by an employee of the authorized licensee, the designated representative of the authorized licensee, or by an employee of the designated representative of the authorized licensee.

(F) An authorized licensee, or a designated representative of an authorized licensee, shall either supply the wine or distilled spirits to be tasted during the instructional tasting event or purchase the wine or distilled spirits from the licenseholder at the original invoiced cost. An authorized licensee, or a designated representative of an authorized licensee, shall purchase beer to be tasted during the instructional tasting event from the licenseholder at the original invoiced cost.

(G) Any unused wine, beer, or distilled spirits remaining from the tasting shall be removed from the off-sale licensed premises by the authorized licensee or its designated representative.

(2) If the instructional tasting event is conducted by a designated representative of an authorized licensee, the designated representative shall not be owned, controlled, or employed directly or indirectly by the licenseholder on whose premises the instructional tasting event is held.

(3) An instructional tasting event shall be limited to a single type of alcoholic beverage. For purposes of this paragraph, "type of alcoholic beverage" means distilled spirits, wine, or beer.

(b) For purposes of this section:

(1) "Authorized licensee" means a winegrower, California winegrower's agent, beer and wine importer general, beer and wine wholesaler, wine rectifier, craft distiller, distilled spirits manufacturer, distilled spirits manufacturer's agent, distilled spirits importer general, distilled spirits rectifier, distilled spirits general rectifier, rectifier, out-of-state distilled spirits shipper's certificate holder, distilled spirits wholesaler, brandy manufacturer, brandy importer, California brandy wholesaler, beer manufacturer, or an out-of-state beer manufacturer certificate holder. "Authorized licensee" shall not include an entity that solely holds a combination of a beer and wine wholesale license and an off-sale beer and wine retail license or holds those licenses solely in combination with any license not listed in this paragraph or holds a limited off-sale retail wine license.

(2) "Licenseholder" means an off-sale retail licensee issued an instructional tasting license pursuant to Section 23396.6.

(3) "Location" means the total contiguous area encompassed by the off-sale and on-sale licenses.

(c) Notwithstanding subparagraph (E) of paragraph (1) of subdivision (a), a licenseholder may conduct an instructional tasting event that includes the serving of tastings only when an authorized licensee or its designated representative are unable to conduct an instructional tasting event previously advertised pursuant to this section and scheduled by the authorized licensee or its designated representative, provided that the licenseholder supplies the wine, beer, or distilled spirits used in the instructional tasting event and provides or pays for a person to serve the wine, beer, or distilled spirits. Instructional tasting events conducted by a licenseholder pursuant to this subdivision are subject to the provisions of this section and Section 23396.6.

(d) No more than one authorized licensee, or its designated representative, may conduct an instructional tasting event that includes the serving of tastes of wine, beer, or distilled spirits at any one individual licensed premises of a licenseholder per day.

(e) A licenseholder that also holds an on-sale beer and wine license, an on-sale beer and wine eating place license, or an on-sale general license shall not allow an authorized licensee, or its designated representative, to conduct an instructional tasting event on the same day and at the same location as any instructional tasting event held pursuant to subdivision (b) of Section 23386, Section 25503.4, subdivision (c) of Section 25503.5, or Section 25503.55.

(f) A licenseholder shall not condition the allowance of an instructional tasting event upon the use of a particular designated representative of an authorized licensee.

(g) In addition to any point-of-sale advertising or other advertising items allowed under this division or under rules of the department, an authorized licensee or its designated representative, in their absolute discretion and with permission of the licenseholder upon whose premises the instructional tasting event will be held, may list in any advertisement to the general public for the instructional tasting event the name, address, telephone number, email address, internet website address, and any other electronic media of the licenseholder, the names of the alcoholic beverages being featured at the instructional tasting event, pictures, illustrations, and depictions of the retailer's premises, personnel, and customers, and the time, date, and location of, and other information about, the instructional tasting event, provided that both of the following apply:

(1) The advertisement does not contain the retail price of the alcoholic beverages.

(2) The listing of the licenseholder's name, address, telephone number, email address, internet website address, and any other electronic media in the advertisement, and any pictures, illustrations, or depictions, are relatively inconspicuous in relation to the advertisement as a whole. Laudatory references to the licenseholder in these advertisements are not authorized. Pictures, illustrations, or depictions shall be still pictures, illustrations, or depictions only and shall not include any video. The reposting of social media posts, including posts by the retailer, is permitted provided that the reposting complies with all the requirements of this section. Nothing in this section shall authorize an authorized licensee or its designated representative to share in the costs, if any, of the licenseholder.

(h) A licenseholder may advertise an instructional tasting event to the general public. The costs of this advertising shall be borne solely by the licenseholder. Advertising permitted by this subdivision includes flyers, newspaper ads, internet communications, and interior signage.

(i) Except as otherwise provided in this division or rules of the department, no premium, gift, free goods, or other thing of value shall be given away by an authorized licensee or its designated representative in connection with an instructional tasting event that includes tastings of an alcoholic beverage.

(j) The licenseholder or the authorized licensee or its designated representative is authorized to perform setup and breakdown of the instructional tasting event area. The authorized licensee or its designated representative may provide, free of charge to the licenseholder, the equipment, materials, and utensils as may be required for use in connection with the instructional tasting event.

(k) (1) A licenseholder shall not require, or enter into a collusive scheme with, an authorized licensee or its designated representative to conduct one or more instructional tasting events as a condition of the licenseholder's carrying or continuing to carry a brand or brands of the authorized licensee or as a condition for display or other merchandising plan which is based on an agreement to provide shelf space. An authorized licensee or its designated representative shall not require any preferential treatment or benefit from, or enter into a collusive scheme with, a licenseholder as a condition of conducting one or more instructional tasting events, require a licenseholder to carry or continue to carry a brand or brands of the authorized licensee as a condition of conducting one or more instructional tasting events, or condition display or other merchandising plans that are based on agreements for the provision of shelf space on the conducting of one or more instructional tasting events. Any agreement, whether written or oral, entered into by and between a licenseholder and an authorized licensee or its designated representative that precludes the conducting of

instructional tasting events on the premises of the licenseholder by any other authorized licensee is prohibited. A licenseholder or authorized licensee, or its designated representative, shall not use an instructional tasting event to circumvent any other requirements of this division.

(2) In addition to any other remedies available under this division, upon a finding by the department of a failure to comply with this subdivision, the department shall suspend the instructional tasting license of the licenseholder and the privilege of the authorized licensee to conduct instructional events for not less than six months but for no more than one year.

(l) The Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages 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. The Legislature further finds that the exception established by this section to the general prohibition against tied interests must be limited to its express terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

SEC. 5.

Section 25503.57 of the Business and Professions Code is amended to read:

25503.57.

(a) (1) An authorized licensee, or its designated representative, may instruct consumers at an on-sale retail licensed premises authorized to sell its product with the permission of the retail on-sale licensee. The instruction may include, without limitation, the history, nature, values, and characteristics of the wine or distilled spirits and the methods of presenting and serving the wine or distilled spirits.

(2) The instruction of consumers may include the furnishing of not more than three tastings to any individual in one day. A single tasting of distilled spirits may not exceed one-fourth of one ounce and a single tasting of wine may not exceed one ounce.

(3) The authorized licensee, or its designated representative, shall either supply the wine or distilled spirits to be tasted during the instructional tasting event or purchase the wine or distilled spirits from the retail on-sale licensee at the original invoiced cost.

(4) The authorized licensee, or its designated representative, shall remove any unfinished alcoholic beverages that were supplied by the authorized licensee, or its designated representative, following the instruction.

(5) Nothing in this subdivision shall limit the giving away of samples pursuant to subdivision (a) of Section 23386.

(b) For purposes of this section, "authorized licensee" means a winegrower, California winegrower's agent, beer and wine importer general, beer and wine wholesaler, wine rectifier, craft distiller, distilled spirits manufacturer, distilled spirits manufacturer's agent, distilled spirits importer general, distilled spirits rectifier, distilled spirits general rectifier, rectifier, out-of-state distilled spirits shipper's certificate holder, distilled spirits wholesaler, brandy manufacturer, brandy importer, or California brandy wholesaler. "Authorized licensee" shall not include any person that solely holds a combination of a beer and wine wholesaler license and an off-sale beer and wine retail license or holds those licenses solely in combination with any license not listed in this paragraph, or in combination with a beer and wine importer general license, or holds a limited off-sale retail wine license.

(c) Except as otherwise provided in this division or by the rules of the department, no premium, gift, free goods, or other thing of value shall be given away by an authorized licensee or its designated representative in connection with an instructional tasting event conducted pursuant to this section that includes tastings of wine or distilled spirits.

(d) In addition to any point-of-sale advertising or other advertising items allowed under this division or under rules of the department, an authorized licensee or its designated representative, in their absolute discretion and with permission of the retail on-sale licensee upon whose premises the instructional tasting event will be held, may list in any advertisement to the general public for the instructional tasting the name, address, telephone number, email address, internet website address, and any other electronic media of the on-sale retail licensee, the names of the wines or distilled spirits being featured at the instructional tasting event, pictures, illustrations, and depictions of the retailer's premises, personnel, and customers, and the time, date, and location of, and other information about, the instructional tasting event, provided that both of the following apply:

(1) The advertisement does not contain the retail price of the alcoholic beverages.

(2) The listing of the licensee's name, address, telephone number, email address, internet website address, and any other electronic media in the advertisement, and any pictures, illustrations, or depictions, are relatively inconspicuous in relation to the advertisement as a whole. Laudatory references to the licensee in these advertisements are not authorized. Pictures, illustrations, or depictions shall be still pictures, illustrations, or depictions only and shall not include any video. The reposting of social media posts, including posts by the retailer, is permitted provided that the reposting complies with all the

requirements of this section. Nothing in this section shall authorize an authorized licensee or its designated representative to share in the costs, if any, of the licensee.

(e) An on-sale retail licensee may advertise an instructional tasting event to the general public. The costs of this advertising shall be borne solely by the on-sale retail licensee. Advertising permitted by this subdivision includes flyers, newspaper ads, internet communications, and interior signage.

(f) No more than one authorized licensee or its designated representative shall conduct an instructional tasting pursuant to this section at the on-sale retail licensed premises of an on-sale retail licensee at any time, and a person shall not act as the designated representative for more than one authorized licensee at that instructional tasting.

SEC. 6.

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the Department of Alcoholic Beverage Control's ability to take immediate action when egregious circumstances exist that pose an immediate threat to the public's health and safety and to ensure that alcoholic beverage licensees have a right to contest the department's actions, it is necessary that this act take effect immediately.

B&P Code Section 23396.3 *(Effective September 27, 2019)*

Senate Bill No. 21 – (Dodd) – Alcoholic beverages: brewpub-restaurant licenses.

An act to amend Section 23396.3 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

Summary of Code Section Changes - This bill contained an urgency clause and lowered the required minimum brewing production of a brewpub-restaurant license from 200 barrels per year to 100 barrels per year. This bill contained further provisions which restricted a brew-pub restaurant from selling, furnishing, or exchanging alcoholic beverages with beer manufacturers under the common ownership or control of the brew-pub restaurant licensee.

SECTION 1.

Section 23396.3 of the Business and Professions Code is amended to read:

23396.3.

(a) (1) A brewpub-restaurant license is a retail license which may be issued to a bona fide public eating place, as defined in Section 23038. The licensed premises shall have a minimum seven-barrel commercial brewing system located permanently onsite that is capable of producing at least seven barrels of beer per brewing cycle, and the licensee shall produce not less than 100 barrels nor more than 5,000 barrels of beer annually on the licensed premises. The license authorizes the sale of beer, wine, and distilled spirits for consumption on the premises, and the sale of beer produced by the brewpub-restaurant licensee for consumption on the premises. The license also authorizes the sale of beer produced by the licensed brewpub-restaurant licensee to a licensed beer and wine wholesaler, subject to the requirements of Chapter 12 (commencing with Section 25000). A brewpub-restaurant license does not authorize any of the following:

(A) The sale, furnishing, or exchange of any alcoholic beverages with any other brewpub-restaurant licensee, any licensed beer manufacturer that is under common ownership or control of the brewpub-restaurant licensee, regardless of any other licenses held by the licensed beer manufacturer, or any retail licensee in California.

(B) The sale, furnishing, or exchange of any beer produced on the licensed premises bearing the same trademark as any beer produced by a licensed beer manufacturer.

(C) A brewpub-restaurant licensee to engage a licensed beer manufacturer to produce beer for sale by the brewpub-restaurant licensee.

(2) Beer produced on the premises shall be offered for sale to consumers for consumption on the premises or off-premises in a bona fide manner. In determining whether the licensee is offering beer produced on the premises for sale in a bona fide manner, the department may consider, without limitation, whether, and the extent to which, the licensee actually sells beer manufactured on the licensed premises to consumers.

(b) A brewpub-restaurant licensee shall purchase all beer, wine, or distilled spirits for sale on the licensed premises from a licensed wholesaler or winegrower, except for the beer produced by the brewpub-restaurant licensee on the licensed premises.

(c) Notwithstanding any other law, a brewpub-restaurant licensee may label, bottle, package, or refill any container with beer produced on the licensed premises and may, at the licensed premises, sell beer produced and packaged by the licensee to consumers for consumption off the premises.

(d) A brewpub-restaurant licensee may donate or sell beer produced by the licensee to a nonprofit charitable corporation or association or a nonprofit incorporated trade association pursuant to subdivisions (a) and (b) of Section 25503.9, provided that beer donated pursuant to this section shall not count in the calculation of minimum amounts of beer required to be manufactured and sold pursuant to subdivision (a).

(e) A brewpub-restaurant licensee shall offer for sale on the licensed premises canned, bottled, or draft beer commercially available from licensed wholesalers.

(f) The fee to transfer a brewpub-restaurant license shall be the same as for an on-sale general license.

(g) An existing brewpub-restaurant license or a brewpub license issued pursuant to an application filed with the department prior to December 31, 2019, shall not be sold or transferred for a price greater than the original license fee paid by the seller or transferor.

(h) (1) The limitations provided in Section 23816 on the number of licensed premises shall not apply to a brewpub-restaurant license application submitted to the department prior to December 31, 2019.

(2) The limitations provided in Section 23816 on the number of licensed premises shall apply to a brewpub-restaurant license application submitted to the department on or after December 31, 2019.

(i) The licensee shall maintain records on a monthly or quarterly basis that are adequate to establish compliance with this section and to enable the department to identify which beer sold by a licensee was produced on the premises in order to establish the licensee's compliance with subdivisions (a) and (b). These records shall be maintained for a period of at least three years and shall be provided to the department within 30 days of receipt of the department's written request.

SEC. 2.

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide stability and security for brewpub-restaurant licensees that were lawfully operating prior to January 1, 2019, and to avoid unintended and undesirable changes in the industry, it is necessary for this act to go into immediate effect.

B&P Code Section 23661, 23399.52 *(Effective January 1, 2020)*

Assembly Bill No. 840 – (Dahle) - Alcoholic beverages: imports.

An act to amend Section 23661 of, and to add Section 23399.52 to, the Business and Professions Code, relating to alcoholic beverages.

Summary of Code Section Changes - This bill authorized the Department of Alcoholic Beverage Control to issue a special on-sale general alcoholic beverage license for the Cal Neva Resort & Casino under specified circumstances. Since this casino is located on the border of California and Nevada, with the majority of the premises located in Nevada, this bill prescribed that all sales are deemed to take place in the state of Nevada. The license is being issued to ensure the Department has appropriate enforcement authority for activity that takes place on the California side of the business.

SECTION 1.

Section 23399.52 of the Business and Professions Code is amended to read:

23399.52

(a) The department may create and issue a special on-sale general license to a person who owns or operates a facility that is partially located in the County of Placer and partially located in the County of Washoe, State of Nevada, subject to the following:

(1) The licensed premises is located on a single contiguous property of not less than three acres, and not more than seven acres, in the County of Placer and of at least eight acres in the County of Washoe, State of Nevada, where the gross floor area of structures in the County of Placer is no greater than 20 percent of the total gross floor area of all structures located in both counties.

(2) The facility consists of at least a restaurant, casino, conference center, and hotel.

(3) The licensed premises is operated as an integral part of the facility.

(4) The license shall not be transferable except from person to person.

(b) Notwithstanding any other provision of this division, and subject only to Section 25658, the sale, furnishing, or delivery of alcoholic beverages by the licensee within the facility shall be deemed to be a sale in the State of Nevada.

(c) Notwithstanding Section 23661, and any related provision of this division, persons may import alcoholic beverages into California from the State of Nevada only within the facility for personal use and not for resale.

(d) Notwithstanding Section 23402, and any related provision of this division, the licensee shall not be authorized to purchase alcoholic beverages from California licensees.

(e) Notwithstanding Sections 23405, 23405.1, 23405.2, and 25752, and any related provision of this division, the licensee shall not be required to maintain records on the licensed premises. However, records shall be maintained at the facility and the licensee shall provide any such records to the department promptly upon demand.

(f) (1) The licensee shall not be subject to any restrictions set forth in Chapter 15 (commencing with Section 25500), in its entirety, at the facility.

(2) The licensee shall not be subject to any restrictions set forth in Sections 25600, 25600.1, 25600.2, 25600.3, 25600.5, 25611.1, 25611.2, 25611.3, 25612, 25612.5, and 25613, and any related provision of this division, except to the extent the prohibited conduct substantially occurs in California.

(g) The facility shall not be subject to Sections 25631, 25632, and 25633, and any related provision of this division.

(h) In all other respects, the licensee shall comply with and be subject to the provisions of this division.

(i) The fee for a special on-sale general license shall be the same as that specified in Section 23954.5 for an original on-sale general license. The annual fee for the special on-sale general license shall be the same as that for an on-sale general licensee. The special on-sale general license authorized by this section shall not be included in the number of on-sale general licenses available pursuant to, or otherwise subject to the requirements of, Section 23816. All money collected as fees pursuant to this section shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

(j) The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances of the premises located in both the County of Placer and the State of Nevada.

SEC. 2.

Section 23661 of the Business and Professions Code is amended to read:

23661.

(a) Except as otherwise provided in this section, alcoholic beverages shall be brought into this state from without this state for delivery or use within the state only by common carriers and only when the alcoholic beverages are consigned

to a licensed importer, and only when consigned to the premises of the licensed importer or to a licensed importer or customs broker at the premises of a public warehouse licensed under this division.

(b) The provisions of this chapter are not applicable in the case of alcoholic beverages which are sold and delivered by a licensee in this state to another licensee in this state, and which in the course of delivery are taken without this state through another state without any storage thereof in such other state.

(c) The provisions of subdivision (a) are not applicable in the case of a reasonable amount of alcoholic beverages brought into this state by an adult from without the United States for personal or household use, except that a California resident returning to the United States by a vehicle that is not a common carrier, or any adult entering the United States as a pedestrian, shall be restricted to the amount of alcoholic beverages which are exempt from the payment of duty in accordance with existing provisions of federal law. These alcoholic beverages shall be exempt from state licensing restrictions.

(d) The provisions of subdivision (a) are not applicable to incidental amounts of alcoholic beverages brought into this state by an adult for personal use from a hotel that is jointly located within the jurisdictions of this state and Nevada.

(e) The provisions of subdivision (a) are not applicable in the case of alcoholic beverages shipped into this state from without the United States by an adult member of the Armed Forces of the United States, serving outside the confines of the United States, for their personal or household use within the state in such quantity of alcoholic beverages as is exempt from the payment of duty under existing provisions of the Federal Tariff Act or regulations. These alcoholic beverages may be brought into this state only by common carrier and consigned to the premises of a licensed importer or customs broker, or to a licensed importer or customs broker at the premises of a public warehouse licensed under this division. Notwithstanding any other provisions of this division, the holder of an importer's license, a customs broker's license, or a public warehouse license, may make delivery of such alcoholic beverages as may be brought into this state under the provisions of this paragraph directly to the owner thereof upon satisfactory proof of identity. This delivery shall not be deemed to constitute a sale in this state.

(f) A manufacturer of distilled spirits shall transport such distilled spirits into this state in motor vehicles owned by or leased to the manufacturer, and operated by employees of the manufacturer, only if all of the following apply:

(1) The distilled spirits are transported into this state from a place of manufacture within the United States.

(2) The manufacturer holds a California distilled spirits manufacturer's license.

(3) Delivery is made to the licensed premises of such distilled spirits manufacturer.

SEC. 3.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

B&P Code Section 23826.13 *(Effective January 1, 2020)*

Assembly Bill No. 1311 – (Ting) - Neighborhood-restricted special on-sale general licenses: transfers.

An act to amend Section 23826.13 of the Business and Professions Code, relating to alcoholic beverages.

Summary of Code Section Changes - This bill authorized the Department of Alcoholic Beverage Control to allow a Type 87 Special Neighborhood alcoholic beverage license, previously created under SB 1285 (Leno), Chapter 790, Statutes of 2016, and AB 471 (Ting), Chapter 442, Statutes of 2017, to be transferred within the same neighborhood.

SECTION 1.

Section 23826.13 of the Business and Professions Code, as amended by Section 42 of Chapter 29 of the Statutes of 2019, is amended to read:

23826.13.

(a) Notwithstanding any other provision of this chapter, in any county of the sixth class, the department may issue no more than a total of five new original neighborhood-restricted special on-sale general licenses to premises located in any of the census tracts listed in subdivision (b) per year beginning on January 1, 2017, until a total of 30 new licenses authorized by this section are issued.

(b) To qualify for a license issued pursuant to this section, the premises for which the license would apply shall be located within one of the following United States Bureau of Census census tracts located within the City and County of San Francisco, subject to the following limitations:

(1) United States Bureau of the Census census tract 612000, 232000, 234000, 233000, or 230030. No more than a total of five neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(2) United States Bureau of the Census census tract 258000 or 257020. No more than a total of four neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(3) United States Bureau of the Census census tract 264030. No more than a total of two neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within this tract.

(4) United States Bureau of the Census census tract 255000, 256000, 260020, 260010, 260040, 261000, or 263010. No more than a total of five neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(5) United States Bureau of the Census census tract 309000, 310000, or 312010. No more than a total of four neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(6) United States Bureau of the Census census tract 330000, 329010, 328010, 353000, or 354000. No more than a total of five neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(7) United States Bureau of the Census census tract 328020, 329020, 351000, or 352010. No more than a total of five neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.

(c) In issuing the licenses pursuant to this section, the department shall follow the procedure set forth in Section 23961. A license shall not be issued pursuant to this section to an applicant until any existing on-sale licenses issued to the applicant for the same premises are canceled.

(d) (1) A person who currently holds an on-sale general license for a premises, who currently holds any interest in an on-sale general license for a premises, who has held an on-sale general license for a premises within the 12 months prior to the date of the drawing required by Section 23961, or who has held any interest in an on-sale general license for a premises within the 12 months prior to the

date of the drawing required by Section 23961, shall not apply for a license issued pursuant to this section for that licensed premises.

(2) In addition to the other requirements of this section, an application for a neighborhood-restricted on-sale general license shall be subject to all the requirements that apply to an on-sale general license for a bona fide eating place.

(3) Prior to submitting an application for a license issued pursuant to this section, the applicant shall conduct a minimum of one preapplication meeting to discuss the application with neighbors and members of the community within the census tract in which the premises are located.

(A) The applicant shall hold the meeting either on the premises or at an alternate location within a one-mile radius of the premises.

(B) The applicant shall mail notification of the preapplication meeting to all of the following individuals and organizations at least 14 calendar days before the meeting:

(i) Each resident within a 500-foot radius of the premises for which the license is to be issued.

(ii) Any relevant neighborhood associations for the neighborhood in which the premises is located, as identified on a list maintained by the Planning Department of the City and County of San Francisco.

(iii) The Chief of Police for the San Francisco Police Department.

(C) Applicants for a neighborhood-restricted special on-sale general license shall submit, on a form provided by the department, signed verification by the local governing body of the area in which the applicant premises are located, or its designated subordinated officer or body, that states the applicant has completed the preapplication meeting pursuant to this section.

(e) (1) A license issued pursuant to this section shall not be transferred between counties.

(2) Except as provided in paragraphs (3) and (4), a license issued pursuant to this section shall not be transferred to any other premises.

(3) Paragraph (2) shall not apply to any licensee whose premises have been destroyed as a result of fire or any act of God or other force beyond the control of the licensee, for whom the provisions of Section 24081 shall apply.

(4) The department may allow a license issued pursuant to this section to be transferred within the same neighborhood, as described in paragraphs (1) to (7), inclusive, of subdivision (b).

(5) A license issued pursuant to this section shall not be transferred to any person, partnership, limited partnership, limited liability company, or corporation. This provision shall not apply to licenses transferred under Section 24071, 24071.1, or 24071.2.

(f) Following the cancellation or revocation of a license issued pursuant to this section, the department may issue one additional new original neighborhood-restricted special on-sale general license following the procedure set forth in Section 23961 and the provisions of this section.

(g) A person that holds a neighborhood-restricted special on-sale general license issued pursuant to this section shall not exchange that license for an on-sale license for public premises.

(h) Except as specified herein, a neighborhood-restricted special on-sale general license may exercise all of the privileges, and is subject to all the restrictions, of an on-sale general license for a bona fide eating place.

(i) A neighborhood-restricted special on-sale general license issued pursuant to this section shall not, with respect to beer and wine, authorize the exercise of the rights and privileges granted by an off-sale beer and wine license.

(j) The department shall adopt rules and regulations to enforce the provisions of this section.

B&P Code Section 25503.32 *(Effective January 1, 2020)*

Assembly Bill No. 436– (Aguiar-Curry) -Alcoholic beverages: tied-house restrictions: advertising: City of Napa

An act to add Section 25503.32 to the Business and Professions Code, relating to alcoholic beverages.

Summary of Code Section Changes - This bill extended an existing tied-house exception in the Alcoholic Beverage Control Act which generally prohibits

advertising arrangements between retail, wholesale and manufacturer licensees, to allow beer manufacturers, winegrowers, distilled spirits rectifiers, distilled spirits manufacturers, or distilled spirits manufacturer's agents to purchase advertising space and time at a performing arts venue and adjacent performance area located in the City of Napa called the Napa Opera House.

SECTION 1.

Section 25503.32 of the Business and Professions Code is amended to read:

25503.32.

(a) Notwithstanding Sections 25500 and 25503, a beer manufacturer, winegrower, rectifier, distilled spirits manufacturer, craft distiller, or a distilled spirits manufacturer's agent may purchase advertising space and time in connection with an on-sale retail licensed premises, if all the following conditions are met:

(1) The on-sale retail licensed premises is operated as an integral part of an opera house that was constructed in 1880, is listed in the National Register of Historic Places, and is located in the City of Napa.

(2) The administrator of the opera house is a nonprofit charitable corporation or association that is exempt from the payment of income taxes under the Internal Revenue Code of the United States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code.

(3) The advertising space and time is purchased only in connection with specific events that are conducted by and for the benefit of the nonprofit charitable corporation or association that administers the opera house and that are open to the public.

(4) All payments for the purchase of advertising space and time shall be made to the nonprofit charitable corporation or association that administers the opera house. Payments shall not be made, directly or indirectly, to the on-sale retail licensee.

(5) (A) Except as provided in subparagraph (B), purchased advertising space and time shall not promote or be for the benefit of the on-sale retail licensee.

(B) Purchased advertising space and time may identify the on-sale retail licensed premises for purposes of identifying the venue at which the event is being held. This identification shall be relatively inconspicuous in connection with the advertisement as a whole.

(6) An agreement to purchase advertising space and time shall not require, directly or indirectly, the purchase or sale of the advertiser's products by the on-sale retail licensee. The on-sale retail licensee shall offer for sale, in a bona fide manner, alcoholic beverages manufactured, produced, or distributed by competing licensed beer manufacturers, winegrowers, rectifiers, distilled spirits manufacturers, craft distillers, or distilled manufacturer's agents.

(b) Advertising space and time purchased pursuant to this section may be included in printed programs for the specific event and in announcements made during the event, as well as any internet, social media, or other media promotion of the event. The advertising may also be placed on or in the on-sale retail licensed premises, or on or in unlicensed areas within the opera house operated by the on-sale retail licensee, only during the time the specific event is taking place.

(c) The Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages 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. The Legislature further finds that the exceptions established by this section to the general prohibition against tied interests must be limited to their express terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

SEC. 2.

The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique conditions located in the City of Napa.

B&P Code Section 25503.6 *(Effective January 1, 2020)*

Senate Bill No. 717 –(Jones) – Craft distillers: advertising.

An act to add Section 25503.6 to the Business and Professions Code, relating to alcoholic beverages.

Summary of Code Section Changes - This bill extended an existing tied-house exception prohibiting advertising arrangements between retail, wholesale, and manufacturer licensees to authorize a craft distiller to purchase advertising space from, or on behalf of, an on-sale retail licensee subject to the same conditions as other alcohol manufacturers.

SECTION 1.

Section 25503.6 is added to the Business and Professions Code, to read:

25503.6

(a) Notwithstanding any other provision of this chapter, a beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner, manager, agent of the owner, assignee of the owner's advertising rights, or the major tenant of the owner of any of the following:

(A) An outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in Sacramento County or Alameda County.

(B) (i) A fully enclosed arena with a fixed seating capacity in excess of 18,000 seats located in Orange County or Los Angeles County.

(ii) An outdoor stadium of at least 70,000 seats located in Los Angeles County operated by a joint powers authority.

(C) An outdoor stadium or fully enclosed arena with a fixed seating capacity in excess of 8,500 seats located in Kern County.

(D) An exposition park of not less than 50 acres that includes an outdoor stadium with a fixed seating capacity in excess of 8,000 seats and a fully enclosed arena with an attendance capacity in excess of 4,500 people, located in San Bernardino County.

(E) An outdoor stadium with a fixed seating capacity in excess of 10,000 seats located in Yolo County.

(F) An outdoor stadium and a fully enclosed arena with fixed seating capacities in excess of 10,000 seats located in Fresno County.

(G) An athletic and entertainment complex of not less than 50 acres that includes within its boundaries an outdoor stadium with a fixed seating capacity of at least 8,000 seats and a second outdoor stadium with a fixed seating capacity of at least 3,500 seats located in Riverside County.

(H) An outdoor stadium with a fixed seating capacity in excess of 1,500 seats located in Tulare County.

(I) A motorsports entertainment complex of not less than 50 acres that includes within its boundaries an outdoor speedway with a fixed seating capacity of at least 50,000 seats, located in San Bernardino County.

(J) An exposition park, owned or operated by a bona fide nonprofit organization, of not less than 400 acres with facilities including a grandstand with a seating capacity of at least 8,000 people, at least one exhibition hall greater than 100,000 square feet, and at least four exhibition halls, each greater than 30,000 square feet, located in the City of Pomona or the City of La Verne in Los Angeles County.

(K) An outdoor soccer stadium with a fixed seating capacity of at least 25,000 seats, an outdoor tennis stadium with a fixed seating capacity of at least 7,000 seats, an outdoor track and field facility with a fixed seating capacity of at least 7,000 seats, and an indoor velodrome with a fixed seating capacity of at least 2,000 seats, all located within a sports and athletic complex built before January 1, 2005, in the City of Carson in Los Angeles County.

(L) An outdoor professional sports facility with a fixed seating capacity of at least 4,200 seats located in San Joaquin County.

(M) A fully enclosed arena with a fixed seating capacity in excess of 13,000 seats located in the City of Inglewood.

(N) (i) An outdoor stadium with a fixed seating capacity of at least 68,000 seats located in the City of Santa Clara.

(ii) A beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, a major tenant of an outdoor stadium described in clause (i), provided the major tenant does not hold a retail license, and the advertising may include the placement of advertising in an on-sale licensed premises operated at the outdoor stadium.

(O) A complex of not more than 50 acres located on the campus of, and owned by, Sonoma State University dedicated to presenting live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances with venues that include a concert hall with a seating capacity of approximately 1,500 seats, a second concert hall with a seating

capacity of up to 300 seats, an outdoor area with a seating capacity of up to 5,000 seats, and a further outdoor area with a seating capacity of up to 10,000 seats. With respect to this complex, advertising space and time may also be purchased from or on behalf of the owner of the complex, a long-term tenant or licensee of the venue, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(P) A fairgrounds with a horse racetrack and equestrian and sports facilities located in San Diego County.

(Q) A stadium with a fixed seating capacity of at least 70,000 seats located in the City of Inglewood and a performance venue with a seating capacity of at least 5,000 seats adjacent to the stadium.

(R) An outdoor stadium with a fixed seating capacity of at least 40,000 seats located in the City and County of San Francisco.

(S) An indoor arena with a fixed seating capacity of at least 13,000 seats located in the City and County of San Francisco.

(T) An outdoor stadium with a fixed seating capacity in excess of 20,000 seats located in the City of Los Angeles.

(U) An outdoor stadium with a fixed seating capacity of at least 43,000 seats located in the City of San Diego.

(V) An outdoor professional sports stadium with a fixed seating capacity of at least 3,000 seats located in the City of San Jose.

(W) An outdoor professional sports stadium with a fixed seating capacity of at least 15,000 seats located in the City of San Jose.

(X) A fully enclosed arena with a fixed seating capacity in excess of 15,000 seats located in the City of San Jose.

(2) The outdoor stadium or fully enclosed arena described in paragraph (1) is not owned by a community college district.

(3) The advertising space or time is purchased only in connection with the events to be held on the premises of the exposition park, stadium, or arena owned by the on-sale licensee. With respect to an exposition park as described in subparagraph (J) of paragraph

(1) that includes at least one hotel, the advertising space or time shall not be displayed on or in any hotel located in the exposition park, or purchased in connection with the operation of any hotel located in the exposition park. With respect to the complex described in subparagraph (O) of paragraph (1), the advertising space or time shall be purchased only in connection with live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances to be held on the premises of the complex. With respect to a fully enclosed arena described in subparagraph (X) of paragraph (1), advertising space or time shall be purchased only for interior advertising in connection with events conducted within the arena.

(4) The on-sale licensee serves other brands of beer distributed by a competing beer wholesaler in addition to the brand manufactured or marketed by the beer manufacturer, other brands of wine distributed by a competing wine wholesaler in addition to the brand produced by the winegrower, and other brands of distilled spirits distributed by a competing distilled spirits wholesaler in addition to the brand manufactured or marketed by the rectifier, the craft distiller, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent that purchased the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the beer manufacturer, the holder of the winegrower's license, the rectifier, the craft distiller, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent and any of the following:

(1) The on-sale licensee.

(2) With respect to clause (ii) of subparagraph (N) of paragraph (1) of subdivision (a), the major tenant of the outdoor stadium.

(3) With respect to subparagraphs (O), (R), and (T) of paragraph (1) of subdivision (a), the owner, a long-term tenant of the complex, or licensee of the complex, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(c) Any beer manufacturer or holder of a winegrower's license, any rectifier, any craft distiller, any distilled spirits manufacturer, or any distilled spirits manufacturer's agent who, through coercion or other illegal means, induces, directly or indirectly, a holder of a wholesaler's license to fulfill all or part of those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county

jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space, time, or costs involved in the contract, whichever is greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(d) Any on-sale retail licensee, as described in subdivision (a), who, directly or indirectly, solicits or coerces a holder of a wholesaler's license to solicit a beer manufacturer, a holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or a distilled spirits manufacturer's agent to purchase advertising space or time pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, whichever is greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(e) For the purposes of this section, "beer manufacturer" includes any holder of a beer manufacturer's license, any holder of an out-of-state beer manufacturer's certificate, or any holder of a beer and wine importer's general license.

(f) The Legislature finds that it is necessary and proper to require a separation among manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages 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. The Legislature further finds that the exceptions established by this section to the general prohibition against tied interests shall be limited to their express terms so as not to undermine the general prohibition and intends that this section be construed accordingly.

SEC. 2.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

B&P Code Section 25503.6, 25607 *(Effective January 1, 2020)*

Assembly Bill No. 1825 – (Committee on Governmental Organization) – Alcoholic beverage control.

An act to amend Sections 25503.6 and 25607 of the Business and Professions Code, relating to alcoholic beverage control.

Summary of Code Section Changes - This bill covered two distinct subjects. First, this bill authorized specified alcoholic beverage licensees that hold more than one kind of license at a single location to store and produce multiple types of alcoholic beverages at that same location. Second, this bill expanded an existing tied-house exception to allow advertising alcohol to be placed in areas within a retail, entertainment, commercial, and mixed-use development which includes the stadium and performance venue, under certain conditions.

SECTION 1.

Section 25503.6 is added to the Business and Professions Code, to read:

25503.6

(a) Notwithstanding any other provision of this chapter, a beer manufacturer, the holder of a winegrower's license, a rectifier, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner, manager, agent of the owner, assignee of the owner's advertising rights, or the major tenant of the owner of any of the following:

(A) An outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in Sacramento County or Alameda County.

(B) (i) A fully enclosed arena with a fixed seating capacity in excess of 18,000 seats located in Orange County or Los Angeles County.

(ii) An outdoor stadium of at least 70,000 seats located in Los Angeles County operated by a joint powers authority.

(C) An outdoor stadium or fully enclosed arena with a fixed seating capacity in excess of 8,500 seats located in Kern County.

(D) An exposition park of not less than 50 acres that includes an outdoor stadium with a fixed seating capacity in excess of 8,000 seats and a fully enclosed arena

with an attendance capacity in excess of 4,500 people, located in San Bernardino County.

(E) An outdoor stadium with a fixed seating capacity in excess of 10,000 seats located in Yolo County.

(F) An outdoor stadium and a fully enclosed arena with fixed seating capacities in excess of 10,000 seats located in Fresno County.

(G) An athletic and entertainment complex of not less than 50 acres that includes within its boundaries an outdoor stadium with a fixed seating capacity of at least 8,000 seats and a second outdoor stadium with a fixed seating capacity of at least 3,500 seats located in Riverside County.

(H) An outdoor stadium with a fixed seating capacity in excess of 1,500 seats located in Tulare County.

(I) A motorsports entertainment complex of not less than 50 acres that includes within its boundaries an outdoor speedway with a fixed seating capacity of at least 50,000 seats, located in San Bernardino County.

(J) An exposition park, owned or operated by a bona fide nonprofit organization, of not less than 400 acres with facilities including a grandstand with a seating capacity of at least 8,000 people, at least one exhibition hall greater than 100,000 square feet, and at least four exhibition halls, each greater than 30,000 square feet, located in the City of Pomona or the City of La Verne in Los Angeles County.

(K) An outdoor soccer stadium with a fixed seating capacity of at least 25,000 seats, an outdoor tennis stadium with a fixed seating capacity of at least 7,000 seats, an outdoor track and field facility with a fixed seating capacity of at least 7,000 seats, and an indoor velodrome with a fixed seating capacity of at least 2,000 seats, all located within a sports and athletic complex built before January 1, 2005, in the City of Carson in Los Angeles County.

(L) An outdoor professional sports facility with a fixed seating capacity of at least 4,200 seats located in San Joaquin County.

(M) A fully enclosed arena with a fixed seating capacity in excess of 13,000 seats located in the City of Inglewood.

(N) (i) An outdoor stadium with a fixed seating capacity of at least 68,000 seats located in the City of Santa Clara.

(ii) A beer manufacturer, the holder of a winegrower's license, a rectifier, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, a major tenant of an outdoor stadium described in clause (i), provided the major tenant does not hold a retail license, and the advertising may include the placement of advertising in an on-sale licensed premises operated at the outdoor stadium.

(O) A complex of not more than 50 acres located on the campus of, and owned by, Sonoma State University dedicated to presenting live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances with venues that include a concert hall with a seating capacity of approximately 1,500 seats, a second concert hall with a seating capacity of up to 300 seats, an outdoor area with a seating capacity of up to 5,000 seats, and a further outdoor area with a seating capacity of up to 10,000 seats. With respect to this complex, advertising space and time may also be purchased from or on behalf of the owner of the complex, a long-term tenant or licensee of the venue, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(P) A fairgrounds with a horse racetrack and equestrian and sports facilities located in San Diego County.

(Q) (i) A stadium with a fixed seating capacity of at least 70,000 seats located in the City of Inglewood and a performance venue with a seating capacity of at least 5,000 seats adjacent to the stadium.

(ii) Advertising authorized by this subparagraph may be placed in areas within the retail, entertainment, commercial, and mixed-use development which includes the stadium and performance venue, provided that the advertising shall not be placed on or in, or otherwise promote, any permanently licensed retail premises other than the stadium or performance venue.

(R) An outdoor stadium with a fixed seating capacity of at least 40,000 seats located in the City and County of San Francisco.

(S) An indoor arena with a fixed seating capacity of at least 13,000 seats located in the City and County of San Francisco.

(T) An outdoor stadium with a fixed seating capacity in excess of 20,000 seats located in the City of Los Angeles.

(U) An outdoor stadium with a fixed seating capacity of at least 43,000 seats located in the City of San Diego.

(V) An outdoor professional sports stadium with a fixed seating capacity of at least 3,000 seats located in the City of San Jose.

(W) An outdoor professional sports stadium with a fixed seating capacity of at least 15,000 seats located in the City of San Jose.

(X) A fully enclosed arena with a fixed seating capacity in excess of 15,000 seats located in the City of San Jose.

(2) The outdoor stadium or fully enclosed arena described in paragraph (1) is not owned by a community college district.

(3) The advertising space or time is purchased only in connection with the events to be held on the premises of the exposition park, stadium, or arena owned by the on-sale licensee. With respect to an exposition park as described in subparagraph (J) of paragraph (1) that includes at least one hotel, the advertising space or time shall not be displayed on or in any hotel located in the exposition park, or purchased in connection with the operation of any hotel located in the exposition park. With respect to the complex described in subparagraph (O) of paragraph (1), the advertising space or time shall be purchased only in connection with live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances to be held on the premises of the complex. With respect to a fully enclosed arena described in subparagraph (X) of paragraph (1), advertising space or time shall be purchased only for interior advertising in connection with events conducted within the arena.

(4) The on-sale licensee serves other brands of beer distributed by a competing beer wholesaler in addition to the brand manufactured or marketed by the beer manufacturer, other brands of wine distributed by a competing wine wholesaler in addition to the brand produced by the winegrower, and other brands of distilled spirits distributed by a competing distilled spirits wholesaler in addition to the brand manufactured or marketed by the rectifier, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent that purchased the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the beer manufacturer, the holder of the winegrower's license, the rectifier, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent and any of the following:

(1) The on-sale licensee.

(2) With respect to clause (ii) of subparagraph (N) of paragraph (1) of subdivision (a), the major tenant of the outdoor stadium.

(3) With respect to subparagraphs (O), (Q), (R), and (T) of paragraph (1) of subdivision (a), the owner, a long-term tenant of the complex, or licensee of the complex, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(c) Any beer manufacturer or holder of a winegrower's license, any rectifier, any distilled spirits manufacturer, or any distilled spirits manufacturer's agent who, through coercion or other illegal means, induces, directly or indirectly, a holder of a wholesaler's license to fulfill all or part of those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space, time, or costs involved in the contract, whichever is greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(d) Any on-sale retail licensee, as described in subdivision (a), who, directly or indirectly, solicits or coerces a holder of a wholesaler's license to solicit a beer manufacturer, a holder of a winegrower's license, a rectifier, a distilled spirits manufacturer, or a distilled spirits manufacturer's agent to purchase advertising space or time pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, whichever is greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(e) For the purposes of this section, "beer manufacturer" includes any holder of a beer manufacturer's license, any holder of an out-of-state beer manufacturer's certificate, or any holder of a beer and wine importer's general license.

(f) The Legislature finds that it is necessary and proper to require a separation among manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages 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. The Legislature further finds that the exceptions established by this section to the general prohibition against tied interests shall be limited to their express terms so as not to undermine the general prohibition and intends that this section be construed accordingly.

SEC. 1.5.

Section 25503.6 is added to the Business and Professions Code, to read:

25503.6.

(a) Notwithstanding any other provision of this chapter, a beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner, manager, agent of the owner, assignee of the owner's advertising rights, or the major tenant of the owner of any of the following:

(A) An outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in Sacramento County or Alameda County.

(B) (i) A fully enclosed arena with a fixed seating capacity in excess of 18,000 seats located in Orange County or Los Angeles County.

(ii) An outdoor stadium of at least 70,000 seats located in Los Angeles County operated by a joint powers authority.

(C) An outdoor stadium or fully enclosed arena with a fixed seating capacity in excess of 8,500 seats located in Kern County.

(D) An exposition park of not less than 50 acres that includes an outdoor stadium with a fixed seating capacity in excess of 8,000 seats and a fully enclosed arena with an attendance capacity in excess of 4,500 people, located in San Bernardino County.

(E) An outdoor stadium with a fixed seating capacity in excess of 10,000 seats located in Yolo County.

(F) An outdoor stadium and a fully enclosed arena with fixed seating capacities in excess of 10,000 seats located in Fresno County.

(G) An athletic and entertainment complex of not less than 50 acres that includes within its boundaries an outdoor stadium with a fixed seating capacity of at least 8,000 seats and a second outdoor stadium with a fixed seating capacity of at least 3,500 seats located in Riverside County.

(H) An outdoor stadium with a fixed seating capacity in excess of 1,500 seats located in Tulare County.

(I) A motorsports entertainment complex of not less than 50 acres that includes within its boundaries an outdoor speedway with a fixed seating capacity of at least 50,000 seats, located in San Bernardino County.

(J) An exposition park, owned or operated by a bona fide nonprofit organization, of not less than 400 acres with facilities including a grandstand with a seating capacity of at least 8,000 people, at least one exhibition hall greater than 100,000 square feet, and at least four exhibition halls, each greater than 30,000 square feet, located in the City of Pomona or the City of La Verne in Los Angeles County.

(K) An outdoor soccer stadium with a fixed seating capacity of at least 25,000 seats, an outdoor tennis stadium with a fixed seating capacity of at least 7,000 seats, an outdoor track and field facility with a fixed seating capacity of at least 7,000 seats, and an indoor velodrome with a fixed seating capacity of at least 2,000 seats, all located within a sports and athletic complex built before January 1, 2005, in the City of Carson in Los Angeles County.

(L) An outdoor professional sports facility with a fixed seating capacity of at least 4,200 seats located in San Joaquin County.

(M) A fully enclosed arena with a fixed seating capacity in excess of 13,000 seats located in the City of Inglewood.

(N) (i) An outdoor stadium with a fixed seating capacity of at least 68,000 seats located in the City of Santa Clara.

(ii) A beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, a major tenant of an outdoor stadium described in clause (i), provided the major tenant does not hold a retail license, and the advertising may include the placement of advertising in an on-sale licensed premises operated at the outdoor stadium.

(O) A complex of not more than 50 acres located on the campus of, and owned by, Sonoma State University dedicated to presenting live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances with venues that include a concert hall with a seating capacity of approximately 1,500 seats, a second concert hall with a seating

capacity of up to 300 seats, an outdoor area with a seating capacity of up to 5,000 seats, and a further outdoor area with a seating capacity of up to 10,000 seats. With respect to this complex, advertising space and time may also be purchased from or on behalf of the owner of the complex, a long-term tenant or licensee of the venue, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(P) A fairgrounds with a horse racetrack and equestrian and sports facilities located in San Diego County.

(Q) (i) A stadium with a fixed seating capacity of at least 70,000 seats located in the City of Inglewood and a performance venue with a seating capacity of at least 5,000 seats adjacent to the stadium.

(ii) Advertising authorized by this subparagraph may be placed in areas within the retail, entertainment, commercial, and mixed-use development which includes the stadium and performance venue, provided that the advertising shall not be placed on or in, or otherwise promote, any permanently licensed retail premises other than the stadium or performance venue.

(R) An outdoor stadium with a fixed seating capacity of at least 40,000 seats located in the City and County of San Francisco.

(S) An indoor arena with a fixed seating capacity of at least 13,000 seats located in the City and County of San Francisco.

(T) An outdoor stadium with a fixed seating capacity in excess of 20,000 seats located in the City of Los Angeles.

(U) An outdoor stadium with a fixed seating capacity of at least 43,000 seats located in the City of San Diego.

(V) An outdoor professional sports stadium with a fixed seating capacity of at least 3,000 seats located in the City of San Jose.

(W) An outdoor professional sports stadium with a fixed seating capacity of at least 15,000 seats located in the City of San Jose.

(X) A fully enclosed arena with a fixed seating capacity in excess of 15,000 seats located in the City of San Jose.

(2) The outdoor stadium or fully enclosed arena described in paragraph (1) is not owned by a community college district.

(3) The advertising space or time is purchased only in connection with the events to be held on the premises of the exposition park, stadium, or arena owned by the on-sale licensee. With respect to an exposition park as described in subparagraph (J) of paragraph (1) that includes at least one hotel, the

advertising space or time shall not be displayed on or in any hotel located in the exposition park, or purchased in connection with the operation of any hotel located in the exposition park. With respect to the complex described in subparagraph (O) of paragraph (1), the advertising space or time shall be purchased only in connection with live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances to be held on the premises of the complex. With respect to a fully enclosed arena described in subparagraph (X) of paragraph (1), advertising space or time shall be purchased only for interior advertising in connection with events conducted within the arena.

(4) The on-sale licensee serves other brands of beer distributed by a competing beer wholesaler in addition to the brand manufactured or marketed by the beer manufacturer, other brands of wine distributed by a competing wine wholesaler in addition to the brand produced by the winegrower, and other brands of distilled spirits distributed by a competing distilled spirits wholesaler in addition to the brand manufactured or marketed by the rectifier, the craft distiller, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent that purchased the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the beer manufacturer, the holder of the winegrower's license, the rectifier, the craft distiller, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent and any of the following:

(1) The on-sale licensee.

(2) With respect to clause (ii) of subparagraph (N) of paragraph (1) of subdivision (a), the major tenant of the outdoor stadium.

(3) With respect to subparagraphs (O), (Q), (R), and (T) of paragraph (1) of subdivision (a), the owner, a long-term tenant of the complex, or licensee of the complex, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(c) Any beer manufacturer or holder of a winegrower's license, any rectifier, any craft distiller, any distilled spirits manufacturer, or any distilled spirits manufacturer's agent who, through coercion or other illegal means, induces, directly or indirectly, a holder of a wholesaler's license to fulfill all or part of those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space, time, or costs involved in the contract, whichever is

greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(d) Any on-sale retail licensee, as described in subdivision (a), who, directly or indirectly, solicits or coerces a holder of a wholesaler's license to solicit a beer manufacturer, a holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or a distilled spirits manufacturer's agent to purchase advertising space or time pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, whichever is greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(e) For the purposes of this section, "beer manufacturer" includes any holder of a beer manufacturer's license, any holder of an out-of-state beer manufacturer's certificate, or any holder of a beer and wine importer's general license.

(f) The Legislature finds that it is necessary and proper to require a separation among manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages 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. The Legislature further finds that the exceptions established by this section to the general prohibition against tied interests shall be limited to their express terms so as not to undermine the general prohibition and intends that this section be construed accordingly.

SEC. 2.

Section 25607 is added to the Business and Professions Code, to read:

25607

(a) Except as provided in subdivisions (b), (c), and (d), it is unlawful for any person or licensee to have upon any premises for which a license has been issued any alcoholic beverages other than the alcoholic beverage which the licensee is authorized to sell at the premises under their license. It shall be presumed that all alcoholic beverages found or located upon premises for which licenses have been issued belong to the person or persons to whom the licenses were issued. Every person violating the provisions of this section is guilty of a misdemeanor. The department may seize any alcoholic beverages found in violation of this section.

(b) Except as provided in subdivision (c), a bona fide public eating place for which an on-sale beer and wine license has been issued may have upon the premises brandy, rum, or liqueurs for use solely for cooking purposes.

(c) (1) A licensed winegrower, licensed beer manufacturer that holds a small beer manufacturer's license, and a licensed craft distiller, in any combination, whose licensed premises of production are immediately adjacent to each other and which are not branch offices, may, with the approval of the department and under such conditions as the department may require, share a common licensed area in which the consumption of alcoholic beverages is permitted, only under all of the following circumstances:

(A) The shared common licensed area is adjacent and contiguous to the licensed premises of the licensees.

(B) The licensed premises of the licensees are not branch offices.

(C) The shared common licensed area shall be readily accessible from the premises of the licensees without the necessity of using a public street, alley, or sidewalk.

(D) Except as otherwise authorized by this division, the alcoholic beverages that may be consumed in the shared common licensed area shall be purchased by the consumer only from the licensed winegrower, the licensed beer manufacturer, or the licensed craft distiller.

(E) The licensed winegrower, the licensed beer manufacturer, and the licensed craft distiller shall be jointly responsible for compliance with the provisions of this division and for any violations that may occur within the shared common licensed area.

(2) Nothing in this subdivision is intended to authorize the licensed winegrower, the licensed beer manufacturer, or the licensed craft distiller to sell, furnish, give, or have upon their respective licensed premises any alcoholic beverages, or to engage in any other activity, not otherwise authorized by this division, including, without limitation, the consumption on the premises of any distilled spirits purchased by consumers for consumption off the premises pursuant to Section 23504 or the consumption of distilled spirits other than as permitted by Section 23363.1.

(d) The holder of a beer manufacturer's license, winegrower's license, brandy manufacturer's license, distilled spirits manufacturer's license, craft distiller's license, any rectifier's license, any importer's license, or any wholesaler's license, that holds more than one of those licenses for a single premises, may have alcoholic beverages that are authorized under those licenses at the same time anywhere within the premises for purposes of production and storage, if the

holder of the licenses maintains records of production and storage that identify the specific location of each alcoholic beverage product within the premises. Nothing in this subdivision is intended to allow a licensee to hold licenses, alone or in combination, or to exercise any license privileges, not otherwise provided for or authorized by this division.

SEC. 3.

Section 1.5 of this bill incorporates amendments to Section 25503.6 of the Business and Professions Code proposed by both this bill and Senate Bill 717. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2020, (2) each bill amends Section 25503.6 of the Business and Professions Code, and (3) this bill is enacted after Senate Bill 717, in which case Section 1 of this bill shall not become operative.

B&P Code Section 25503.9 *(Effective June 26, 2019)*

Assembly Bill No. 1265 - (Parks)- Alcoholic beverage licensees: donations.

An act to amend Section 25503.9 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

Summary of Code Section Changes - This bill added distilled spirits wholesalers to the list of licensees that may give or sell beer, wine, or distilled spirits to certain nonprofit organizations and revised the prohibition exemption for a beer and wine wholesaler that also holds an importer's license to allow that licensee to give or sell beer or wine to a nonprofit.

SECTION 1.

Section 25503.9 of the Business and Professions Code is amended to read:

25503.9.

(a) Nothing in this division prohibits a winegrower, a beer and wine wholesaler that also holds an off-sale beer and wine retail license and only sells wine, or the holder of a limited off-sale retail wine license from giving or selling wine, a beer manufacturer from giving or selling beer, a craft distiller, a distilled spirits manufacturer, rectifier, or a distilled spirits manufacturer's agent from giving or selling distilled spirits, or a distilled spirits wholesaler that also holds a beer and wine wholesaler license or importer general licensee from giving or selling beer, wine, or distilled spirits at prices other than those contained in schedules filed with the department, to any of the following:

(1) A nonprofit charitable corporation or association exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code.

(2) A nonprofit incorporated trade association that is exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code, and the members of which trade association are licensed under this division. However, the wine, beer, and distilled spirits shall be used solely for a convention or meeting of the nonprofit incorporated trade association.

(3) A nonprofit corporation or association that is exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and is defined as a tax exempt organization under Section 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23701i, 23701k, 23701l, 23701r, or 23701w of the Revenue and Taxation Code. Wine, beer, and distilled spirits given or sold by a winegrower, beer manufacturer, craft distiller, distilled spirits manufacturer, distilled spirits manufacturer's agent, distilled spirits wholesaler, or importer general licensee pursuant to this subdivision may be furnished only in connection with public service or fundraising activities including picnics, parades, fairs, amateur sporting events, agricultural exhibitions, or similar events.

(4) A licensee authorized to donate or sell alcoholic beverages to a nonprofit corporation, organization, or association pursuant to this section may also provide services to and otherwise assist the corporation, organization, or association in connection with an event conducted under a temporary license issued by the department.

(b) Nothing in this division prohibits a winegrower, a beer and wine wholesaler that also holds an off-sale beer and wine retail license and only sells wine, or the holder of a limited off-sale retail wine license from giving or selling wine, a beer manufacturer from giving or selling beer, a craft distiller, distilled spirits manufacturer, rectifier, a distilled spirits wholesaler, or a distilled spirits manufacturer's agent from giving or selling distilled spirits, or a beer and wine wholesaler that also holds an importer's license from giving or selling beer or wine at prices other than those contained in schedules filed with the department, to any of the following:

(1) A nonprofit charitable corporation or association exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United

States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code.

(2) A nonprofit incorporated trade association that is exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code, and the members of which trade association are licensed under this division. However, the wine, beer, and distilled spirits shall be used solely for a convention or meeting of the nonprofit incorporated trade association.

(3) A nonprofit corporation or association that is exempt from payment of income taxes under the provisions of the Internal Revenue Code of the United States and is defined as a tax exempt organization under Section 23701a, 23701d, 23701e, 23701f, or 23701r of the Revenue and Taxation Code. Wine, beer, and distilled spirits given or sold by a winegrower, beer manufacturer, craft distiller, distilled spirits manufacturer, distilled spirits manufacturer's agent, a distilled spirits wholesaler, beer and wine wholesaler, or licensed importer pursuant to this subdivision may be furnished only in connection with public service or fundraising activities including picnics, parades, fairs, amateur sporting events, agricultural exhibitions, or similar events.

(c) A nonprofit corporation, organization, or association that is authorized to purchase or accept donations of alcoholic beverages pursuant to this section, and that also holds a permanent retail license issued pursuant to this division, shall not use any alcoholic beverage so purchased or donated in the exercise of any privileges or business under its permanent retail license.

SEC. 2.

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that laws regulating alcoholic beverages are enacted at the earliest possible time, thereby protecting public health, it is necessary that this act take effect immediately.

B&P Code Section 25600.05 *(Effective January 1, 2020)*

Assembly Bill No. 1133 – (Low) – Beer: premiums, gifts, and free goods.

An act to add and repeal Section 25600.05 of the Business and Professions Code, relating to alcoholic beverages.

Summary of Code Section Changes - This bill authorized a beer manufacturer to give up to five cases of retail advertising glassware to each on-sale retail licensee and allowed an on-sale retail licensee to accept, up to 10 cases of retail advertising glassware, per year per licensed premises, from any licensed beer manufacturers. This bill did not prescribe a value limit on the provided glassware.

SECTION 1.

Section 25600.05 of the Business and Professions Code is amended to read:

25600.05

(a) For purposes of this section:

(1) "Beer manufacturer" has the same meaning as that term is defined in subparagraph (B) of paragraph (2) of subdivision (b) of Section 25600.

(2) "Case" means a box containing up to 24 pieces of glassware.

(3) "Glassware" means a single-service glass container or nonglass container capable of holding no more than 23 ounces of liquid volume and which is intended for the service of beer.

(4) "Retail advertising glassware" means glassware that bears conspicuous advertising of beer required of a sign.

(b) Notwithstanding Section 25500, Section 25600, or any other law to the contrary:

(1) A beer manufacturer, without direct or indirect charge, may give up to five cases of retail advertising glassware to an on-sale retail licensee, per licensed location, each calendar year for use at the licensed location. The giving of retail advertising glassware shall not be conditioned, directly or indirectly, upon the purchase or sale of any product, including, without limitation, any beer manufactured, produced, imported, sold, marketed, or in any other way promoted or represented by the beer manufacturer giving the retail advertising glassware. Retail advertising glassware provided pursuant to this section shall

only be delivered by the beer manufacturer providing it to the licensed premises of the retailer receiving the retail advertising glassware. No more than five cases of retail advertising glassware shall be delivered by the beer manufacturer to any single on-sale retail licensed premises.

(2) An on-sale retail licensee may accept, without direct or indirect charge, up to 10 cases of retail advertising glassware, per licensed location, from licensed beer manufacturers each calendar year for use at the licensed location. The on-sale retail licensee shall not sell the retail advertising glassware, give it away, or return it to a manufacturer for cash, credit, or replacement. The on-sale retail licensee shall not condition the purchase of a beer manufacturer's product or products on the giving of retail advertising glassware by that beer manufacturer.

(c) A beer wholesaler shall not directly or indirectly underwrite, share in, or contribute to the costs of glassware or any costs of transportation or shipping or serve as the agent of the beer manufacturer to deliver, stock, or store glassware for an on-sale retailer.

(d) A licensee authorized to give retail advertising glassware pursuant to this section shall not be precluded from doing so on the basis of having an interest in any other type of alcoholic beverage license within or outside of the state.

(e) A beer manufacturer shall file with the department, in a manner prescribed by the department, records related to glassware provided to an on-sale retail licensee pursuant to this section within 30 days of the delivery of the glassware. In addition, a beer manufacturer shall keep and maintain records for a three-year period of all glassware given pursuant to this section.

(f) An on-sale retail licensee shall keep and maintain records for a three-year period of all glassware received pursuant to this section and of all other retail advertising glassware purchased or otherwise received. Such records shall be maintained by the on-sale retail licensee at the licensed premises to which the beer manufacturer delivers the glassware authorized by this section. The on-sale retail licensee shall produce records to the department promptly upon request.

(g) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

B&P Code Section 25668 *(Effective January 1, 2020)*

Assembly Bill No. 1308 (Cunningham) - Students in hotel management or culinary arts programs: tastings.

An act to amend Section 25668 of the Business and Professions Code, relating to alcoholic beverages.

Summary of Code Section Changes - This bill allowed a student under the age of 21 to taste, but not consume, an alcoholic beverage and exempted the student and the qualified academic institution in which the student is enrolled from criminal prosecution if the qualified academic institution has established an associate degree or a bachelor's degree program in hotel management or culinary arts, as provided.

SECTION 1.

Section 25668 of the Business and Professions Code is amended to read:

25668.

(a) A qualified student may taste an alcoholic beverage, and both the student and the qualified academic institution in which the student is enrolled shall not be subject to criminal prosecution under subdivision (a) of Section 25658 and subdivision (a) of Section 25662, if all of the following criteria are met:

(1) The qualified student tastes the alcoholic beverage while enrolled in a qualified academic institution.

(2) The qualified academic institution has established an Associate's degree or Bachelor's degree program in any of the following:

(A) Hotel management.

(B) Culinary arts.

(C) Enology or brewing that is designed to train industry professionals in the production of wine or beer.

(3) The qualified student tastes the alcoholic beverage for educational purposes as part of the instruction in a course required for an Associate's degree or Bachelor's degree.

(4) The alcoholic beverage remains in the control of an authorized instructor of the qualified academic institution who is at least 21 years of age.

(b) Nothing in this section shall be construed to allow a student under 21 years of age to receive an alcoholic beverage unless it is delivered as part of the student's curriculum requirements.

(c) A license or permit is not required to be held by a qualified academic institution engaging in the activities authorized by this section, provided an extra fee or charge is not imposed for the alcoholic beverages tasted.

(d) For the purposes of this section, the following terms have the following meanings:

(1) "Qualified academic institution" means a public college or university accredited by a commission recognized by the United States Department of Education.

(2) "Qualified student" means a student enrolled in a qualified academic institution who is at least 18 years of age.

(3) "Taste" means to draw an alcoholic beverage into the mouth, but does not include swallowing or otherwise consuming the alcoholic beverage.