

AMENDED IN SENATE APRIL 17, 2006

**SENATE BILL**

**No. 1380**

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**Introduced by Senator Chesbro**  
(Principal coauthor: Assembly Member Evans)

February 21, 2006

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An act to ~~amend Sections 23039, 23320, and 23396 of~~ *add Section 25242* to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1380, as amended, Chesbro. Alcoholic beverages: ~~licenses: on-sale wine:~~ *California county wine.*

*Under existing law, the Department of Alcoholic Beverage Control regulates the licensing, enforcement, and administration of the alcoholic beverage control laws.*

*This bill would prohibit the sale of wine in this state that identifies, in a brand name or otherwise, on any label, packaging material, or advertising, the name of any California county or any viticultural area appellation entirely within a California county, as specified, unless the wine meets certain federal regulatory standards for appellation of origin in that county.*

~~The Alcoholic Beverage Control Act contains various provisions regulating the application for, the issuance of, the suspension of, and the conditions imposed upon, alcoholic beverage licenses by the Department of Alcoholic Beverage Control. Existing law provides for various annual fees for the issuance of alcoholic beverage licenses depending upon the type of license issued.~~

~~This bill would add an on-sale wine license to the Alcoholic Beverage Control Act. This bill would regulate the on-sale wine license in a similar manner as the on-sale beer license, as provided.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 25242 is added to the Business and  
 2     Professions Code, to read:

3     25242. (a) (1) *The Legislature finds and declares that for*  
 4     *more than a century, many California counties have been widely*  
 5     *recognized for producing grapes and wine of the highest quality.*  
 6     *Both consumers and the wine industry understand the names of*  
 7     *those counties and the viticultural area appellations of origin*  
 8     *contained within those counties as denoting that the wine was*  
 9     *created with the distinctive grapes grown within those counties.*

10    (2) *It is the intent of the Legislature to assure consumers that*  
 11    *the wines produced or sold in the state with brand names,*  
 12    *packaging materials, or advertising referring to California*  
 13    *county appellations in fact accurately reflect the county or the*  
 14    *viticultural area appellation of origin.*

15    (b) (1) *No wine produced, bottled, labeled, offered for sale or*  
 16    *sold in California shall use, in a brand name or otherwise, on*  
 17    *any label, packaging material, or advertising, any of the names*  
 18    *of viticultural significance listed in subdivision (c), unless that*  
 19    *wine qualifies under Section 4.25a of Title 27 of the Code of*  
 20    *Federal Regulations for the appellation of origin of a county in*  
 21    *California and includes on the label, packaging material, and*  
 22    *advertising that appellation or a viticultural area appellation of*  
 23    *origin that is located entirely within a county, subject to*  
 24    *compliance with Section 25240.*

25    (2) *Notwithstanding paragraph (1), this subdivision shall not*  
 26    *grant any labeling, packaging, or advertising rights that are*  
 27    *prohibited under federal law or regulations.*

28    (c) *The following are names of viticultural significance for*  
 29    *purposes of this section:*

30    (1) *Any California county.*

31    (2) *Any viticultural area appellation of origin established*  
 32    *pursuant to Part 9 (commencing with Section 9.1) of Title 27 of*

1 *the Code of Federal Regulations that is located entirely within*  
2 *any California county.*

3 *(3) Any similar name to those in paragraph (1) or (2) that is*  
4 *likely to cause confusion as to the origin of the wine.*

5 *(d) The appellation of origin required by this section shall*  
6 *meet the legibility and size-of-type requirements set forth in*  
7 *either Section 4.38 or Section 4.63 of Title 27 of the Code of*  
8 *Federal Regulations, whichever is applicable.*

9 *(e) Notwithstanding subdivision (b), any name of viticultural*  
10 *significance may appear either as part of the address required by*  
11 *Sections 4.35 and 4.62 of Title 27 of the Code of Federal*  
12 *Regulations, if it is also the post office address of the bottling or*  
13 *producing winery or of the permittee responsible for the*  
14 *advertising, or as part of any factual, nonmisleading statement as*  
15 *to the history or location of the winery.*

16 *(f) (1) The department may suspend or revoke the license of*  
17 *any person who produces or bottles wine who violates this*  
18 *section.*

19 *(2) The department shall issue a notice of violation to a person*  
20 *in possession of the wine and shall hold a hearing within 15 days*  
21 *of the issuance of the notice. If requested by any interested party*  
22 *within five days following the issuance of the notice, the*  
23 *department may seize wine labeled or packaged in violation of*  
24 *this section regardless of where found, and may dispose of the*  
25 *wine upon order of the department.*

26 *(3) A person that is issued a violation as required by*  
27 *paragraph (2) may not sell or transfer the wine prior to a final*  
28 *determination by the department.*

29 *(g) This section applies only to wine which is produced,*  
30 *bottled, or labeled after January 1, 2007.*

31 ~~SECTION 1. Section 23039 of the Business and Professions~~  
32 ~~Code is amended to read:~~

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**All matter omitted in this version of the bill  
appears in the bill as introduced in the  
Senate, February 21, 2006. (JR11)**

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