

**Introduced by Senator Walters**

February 19, 2010

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An act to amend Section 25503 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1323, as introduced, Walters. Alcoholic beverage control: tied-house restrictions.

Existing law, known as tied-house restrictions, prohibits a manufacturer, winegrower, manufacturer's agent, rectifier, California winegrower's agent, distiller, bottler, importer, and wholesaler, and any officer, director, or agent of any of those persons, from having specified relationships or conducting specified business with alcoholic beverages licensees of specified types.

This bill would revise the prohibition to require that the manufacturer, winegrower, manufacturer's agent, rectifier, California winegrower's agent, distiller, bottler, importer, and wholesaler, and any officer, director, or agent of any of those persons, knowingly engage in the specified prohibited behavior.

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 25503 of the Business and Professions
- 2 Code is amended to read:
- 3 25503. No manufacturer, winegrower, manufacturer's agent,
- 4 California winegrower's agent, rectifier, distiller, bottler, importer,

- 1 or wholesaler, or any officer, director, or agent of any such person,  
2 shall *knowingly* do any of the following:
- 3 (a) Directly or indirectly, deliver the possession of any alcoholic  
4 beverages to any on- or off-sale licensee under an agreement of  
5 consignment whereby title to the alcoholic beverages is retained  
6 by the seller or whereby the licensee receiving the alcoholic  
7 beverages has the right at any time prior to sale to relinquish  
8 possession to or return them to the original seller.
  - 9 (b) Directly or indirectly, give any licensee or any person any  
10 alcoholic beverages as free goods as a part of any sale or  
11 transaction involving alcoholic beverages.
  - 12 (c) Give secret rebates or make any secret concessions to any  
13 licensee or the employees or agents of any licensee, and no licensee  
14 shall request or knowingly accept from another licensee secret  
15 rebates or secret concessions.
  - 16 (d) Give or furnish, directly or indirectly, to any employee of  
17 any holder of a retail on-sale or off-sale license only anything of  
18 value for the purpose or with the intent to solicit, acquire, or obtain  
19 the help or assistance of the employee to encourage or promote  
20 either the purchase or the sale of the alcoholic beverage sold or  
21 manufactured by the licensee giving or furnishing anything of  
22 value, and any employee who accepts or acquires anything of value  
23 contrary to the provisions of this subdivision is guilty of a  
24 misdemeanor.
  - 25 (e) Willfully or knowingly discriminate, in the same trading  
26 area, either directly or indirectly, in the price of any brand of  
27 distilled spirits sold to different retail licensees purchasing under  
28 like terms and conditions.
  - 29 (f) Pay, credit, or compensate a retailer or retailers for  
30 advertising, display, or distribution service in connection with the  
31 advertising and sale of distilled spirits.
  - 32 (g) Furnish, give, lend, or rent, directly or indirectly, to any  
33 person any decorations, paintings, or signs, other than signs  
34 advertising their own products as permitted by Section 25611.1.
  - 35 (h) Pay money or give or furnish anything of value for the  
36 privilege of placing or painting a sign or advertisement, or window  
37 display, on or in any premises selling alcoholic beverages at retail.

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