

AMENDED IN ASSEMBLY JUNE 14, 2012

AMENDED IN ASSEMBLY MAY 21, 2012

AMENDED IN SENATE JANUARY 5, 2012

AMENDED IN SENATE JANUARY 4, 2012

**SENATE BILL**

**No. 778**

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**Introduced by Senator Padilla**

February 18, 2011

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An act to add ~~Section~~ *Sections 25600.1 and 25600.2* to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 778, as amended, Padilla. Alcoholic beverages licensees: contests and sweepstakes.

The Alcoholic Beverage Control Act prohibits any licensee from giving any premium, gift, or free goods in connection with the sale or distribution of any alcoholic beverage, except as provided.

This bill would permit an authorized licensee, as defined, to ~~conduct, sponsor, or participate in~~ *conduct* a consumer contest or sweepstakes, as defined, offering the chance to win prizes, if specified conditions are met.

The Alcoholic Beverage Control Act provides that a violation of any of its provisions for which another penalty or punishment is not specifically provided is a misdemeanor. This bill would expand existing crimes by imposing additional duties on a licensee under the act, thus, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1     *SECTION 1. Section 25600.1 is added to the Business and*  
2     *Professions Code, to read:*  
3     *25600.1. (a) An authorized licensee may conduct consumer*  
4     *contests, subject to the following conditions:*  
5     *(1) (A) No entry fee may be charged to participate in a contest*  
6     *authorized by this subdivision. Entry or extra chances in a contest*  
7     *shall not be made available via the purchase of an alcoholic*  
8     *beverage.*  
9     *(B) Entry into or participation in a contest shall be limited to*  
10    *persons 21 years of age or older.*  
11    *(C) No contest shall require consumption of alcoholic beverages*  
12    *by a participant.*  
13    *(D) A contest may not be conducted for the benefit of any*  
14    *permanent retail licensee.*  
15    *(2) (A) Closures, caps, cap liners, corks, labels, cartons, cases,*  
16    *packaging, or other similar material shall not be used as an entry*  
17    *to a contest or as a means of determining the amount or size of*  
18    *the prize or the winner in a contest, except as provided in*  
19    *subparagraphs (D) and (F).*  
20    *(B) The authorized licensee shall provide an alternative means*  
21    *of entry that does not require a visit to a licensed premises.*  
22    *(C) Except as provided in subparagraph (D), removable entry*  
23    *forms shall not be used on alcoholic beverage labels, containers,*  
24    *packaging, cases, or cartons.*  
25    *(D) Removable entry forms that are neck hangers shall be used*  
26    *only on bottles of wine or distilled spirits, and shall not require*  
27    *purchase of the product. Removable neck hangers shall be used*  
28    *only if other entry forms are available at the point of sale or if an*  
29    *alternative means of entry is also available.*  
30    *(E) Entry forms may be provided through electronic or other*  
31    *media, including point of sale.*  
32    *(F) Codes that may be scanned or electronically entered by a*  
33    *consumer where the authorized licensee has permanently affixed*

1 *the codes as part of the original alcoholic beverage label,*  
2 *container, packaging, case, or carton, and where the codes are*  
3 *not removable and not required to be removed are permitted as a*  
4 *form of entry.*

5 *(G) All permitted means of entry, including the use of electronic*  
6 *or scanner codes, shall clearly indicate that no purchase is*  
7 *required to enter.*

8 *(3) A contest shall not provide for the instant or immediate*  
9 *awarding of a prize or prizes. Instant or immediate notification to*  
10 *the consumer that he or she is a winner is permissible.*

11 *(4) A contest authorized by this section shall not be conducted*  
12 *at the premises of a retail licensee or the premises of a winegrower*  
13 *or beer manufacturer operating under a duplicate license for a*  
14 *branch office.*

15 *(5) Alcoholic beverages or anything redeemable for alcoholic*  
16 *beverages shall not be awarded as a contest prize. This paragraph*  
17 *shall not prohibit a contest in which the prize is cash or cash*  
18 *equivalent or the awarding of cash or cash equivalent in lieu of a*  
19 *prize that is tangible personal property or real property.*

20 *(6) A retail licensee shall not serve as the agent of an authorized*  
21 *licensee by collecting or forwarding entries or awarding prizes to*  
22 *a contest winner.*

23 *(7) A licensee that is not an authorized licensee shall not directly*  
24 *or indirectly underwrite, share in, or contribute to, the costs of a*  
25 *contest authorized by this section or serve as the agent of an*  
26 *authorized licensee to collect or forward entries or to furnish any*  
27 *prize to a contest winner.*

28 *(8) (A) Advertising of a contest shall comply with the signage*  
29 *and advertising restrictions contained in this chapter, Chapter 15*  
30 *(commencing with Section 25500), and any regulations issued by*  
31 *the department.*

32 *(B) Advertising or promotion of a contest shall not identify or*  
33 *refer to any retail licensee.*

34 *(C) A retail licensee shall only advertise or promote a contest*  
35 *authorized by this section in the manner specified in subparagraph*  
36 *(A).*

37 *(D) Advertising or promotion of a contest shall only be*  
38 *conducted on the premises of a retail licensee when such*  
39 *advertisement or promotion involves a minimum of three*  
40 *unaffiliated retail licensees. For purposes of this subparagraph,*

1 “unaffiliated retail licensees” shall not include any retail licensee  
2 owned or controlled in whole or in part by an authorized licensee  
3 or any officer, director, or agent of that licensee.

4 (E) Placement of signs or other advertising of a contest in a  
5 licensed retail premises shall not be conditioned upon the  
6 following:

7 (i) The placement of any product within the licensed premises  
8 or the restriction, in any way, of the purchase of a product by a  
9 licensee, the removal of a product from the sales area of a licensed  
10 premises, or the resetting or repositioning of a product within the  
11 licensed premises.

12 (ii) The purchase or sale of any product produced, imported,  
13 distributed, represented, or promoted by an authorized licensee  
14 or its agent.

15 (F) An agreement, whether written or oral, entered into, by,  
16 and between a retail licensee and an authorized licensee or its  
17 agent that precludes the advertisement or promotion of a contest  
18 on the premises of the retail licensee by another authorized licensee  
19 is prohibited.

20 (9) Contest prizes shall not be awarded to an authorized  
21 licensee, retail licensee, or wholesale licensee or agent, officer,  
22 employee, or family member of an authorized licensee, retail  
23 licensee, or wholesale licensee. For purpose of this paragraph,  
24 “family member” means a spouse, parent, sibling, child,  
25 son-in-law, daughter-in-law, and lineal descendants, including  
26 those by adoption. An authorized licensee shall maintain all  
27 records pertaining to a contest for three years following the  
28 completion of a contest. This section shall not apply to contests  
29 conducted by an authorized licensee as part of a sales incentive  
30 program for wholesale licensees or their employees or an  
31 authorized licensee’s employees.

32 (b) Nothing in this section shall preclude licensees from  
33 sponsoring contests as permitted by regulations of the department.

34 (c) For purposes of this section:

35 (1) (A) “Authorized licensee” means a winegrower, beer and  
36 wine importer general, beer manufacturer, out-of-state beer  
37 manufacturer certificate holder, distilled spirits manufacturer,  
38 distilled spirits manufacturer’s agent, distilled spirits importer  
39 general, distilled spirits general rectifier, rectifier, out-of-state  
40 distilled spirits shipper’s certificate holder, brandy manufacturer,

1 *and brandy importer. An authorized licensee may conduct, sponsor,*  
2 *or participate in a consumer contest pursuant to this section if the*  
3 *licensee holds any additional license not included in this*  
4 *paragraph.*

5 (B) *An “authorized licensee” shall not include a beer and wine*  
6 *wholesaler, a beer and wine importer general, or distilled spirits*  
7 *importer general that only holds a wholesaler’s or retailer’s license*  
8 *as an additional license.*

9 (2) *“Contest” means a game, contest, puzzle, or similar activity*  
10 *that holds out or offers to participants the opportunity to receive*  
11 *or compete for gifts, prizes, gratuities, or other things of value as*  
12 *determined by skill, knowledge, or ability rather than upon random*  
13 *selection. Skill, knowledge, or ability does not include the*  
14 *consumption or use of alcoholic beverages.*

15 (d) *Nothing in this section authorizes conducting any contest*  
16 *where consumers are entitled to an allotment or accumulation of*  
17 *points based on purchases made over a period of time that can be*  
18 *redeemed for prizes, things of value, or additional contest entries.*

19 (e) *An authorized licensee that violates this section, in addition*  
20 *to any other penalty imposed by this division, may be prohibited*  
21 *by the department from offering a contest to California residents*  
22 *for a period of 12 months.*

23 SEC. 2. *Section 25600.2 is added to the Business and*  
24 *Professions Code, to read:*

25 25600.2. (a) *An authorized licensee may conduct consumer*  
26 *sweepstakes, subject to the following conditions:*

27 (1) (A) *No entry fee may be charged to participate in a*  
28 *sweepstakes authorized by this subdivision. Entry or extra chances*  
29 *in a sweepstakes shall not be made available via the purchase of*  
30 *an alcoholic beverage.*

31 (B) *Entry into or participation in a sweepstakes shall be limited*  
32 *to persons 21 years of age or older.*

33 (C) *No sweepstakes shall require consumption of alcoholic*  
34 *beverages by a participant.*

35 (D) *Subject to subparagraph (B), any sweepstakes offered in*  
36 *California shall be open to all residents of California.*

37 (E) *A sweepstakes may not be conducted for the benefit of any*  
38 *permanent retail license.*

39 (2) (A) *Closures, caps, cap liners, corks, labels, cartons, cases,*  
40 *packaging, or other similar material shall not be used as an entry*

1 to a sweepstakes or as a means of determining the amount or size  
2 of the prize or the winner in a sweepstakes, except as provided in  
3 subparagraphs (D) and (F).

4 (B) The authorized licensee shall provide an alternative means  
5 of entry that does not require a visit to a licensed premises.

6 (C) Except as provided in subparagraph (D), removable entry  
7 forms shall not be used on alcoholic beverage labels, containers,  
8 packaging, cases, or cartons.

9 (D) Removable entry forms that are neck hangers shall be used  
10 only on bottles of wine or distilled spirits, and shall not require  
11 purchase of the product. Removable neck hangers shall be used  
12 only if other entry forms are available at the point of sale or if an  
13 alternative means of entry is also available.

14 (E) Entry forms may be provided through electronic or other  
15 media, including point of sale.

16 (F) Codes that may be scanned or electronically entered by a  
17 consumer where the authorized licensee has permanently affixed  
18 the codes as part of the original alcoholic beverage label,  
19 container, packaging, case, or carton, and where the codes are  
20 not removable and not required to be removed are permitted as a  
21 form of entry.

22 (G) All permitted means of entry, including the use of electronic  
23 or scanner codes, shall clearly indicate that no purchase is  
24 required to enter.

25 (H) All sweepstakes entry forms shall provide an entrant with  
26 an equal odds of winning.

27 (3) A sweepstakes shall not provide for the instant or immediate  
28 awarding of a prize or prizes. Instant or immediate notification to  
29 the consumer that he or she is a winner is permissible.

30 (4) A sweepstakes authorized by this section shall not be  
31 conducted at the premises of a retail licensee or the premises of  
32 a winegrower or beer manufacturer operating under a duplicate  
33 license for a branch office.

34 (5) Alcoholic beverages or anything redeemable for alcoholic  
35 beverages shall not be awarded as a sweepstakes prize. This  
36 paragraph shall not prohibit a sweepstakes in which the prize is  
37 cash or cash equivalent or the awarding of cash or cash equivalent  
38 in lieu of a prize that is tangible personal property or real property.

39 (6) A retail licensee shall not serve as the agent of an authorized  
40 licensee by collecting or forwarding entries or awarding prizes to

1 a sweepstakes winner. The matching of entries with numbers or  
2 pictures on the point-of-sale materials at retail licensed premises  
3 is permitted only if entrants are also offered the opportunity to use  
4 an alternative means to determine prize-winning status.

5 (7) A licensee that is not an authorized licensee shall not directly  
6 or indirectly underwrite, share in, or contribute to, the costs of a  
7 sweepstakes authorized by this section or serve as the agent of an  
8 authorized licensee to collect or forward entries or to furnish any  
9 prize to a sweepstakes winner.

10 (8) (A) Advertising of a sweepstakes shall comply with the  
11 signage and advertising restrictions contained in this chapter;  
12 Chapter 15 (commencing with Section 25500), and any regulations  
13 issued by the department.

14 (B) Advertising or promotion of a sweepstakes shall not identify  
15 or refer to any retail licensee.

16 (C) A retail licensee shall only advertise or promote a  
17 sweepstakes authorized by this section in the manner specified in  
18 subparagraph (A).

19 (D) Advertising or promotion of a sweepstakes shall only be  
20 conducted on the premises of a retail licensee when such  
21 advertisement or promotion involves a minimum of three  
22 unaffiliated retail licensees. For purposes of this subparagraph,  
23 “unaffiliated retail licensees” shall not include any retail licensee  
24 owned or controlled in whole or in part by an authorized licensee  
25 or any officer, director, or agent of that licensee.

26 (E) Placement of signs or other advertising of a sweepstakes in  
27 a licensed retail premises shall not be conditioned upon the  
28 following:

29 (i) The placement of any product within the licensed premises  
30 or the restriction, in any way, of the purchase of a product by a  
31 licensee, the removal of a product from the sales area of a licensed  
32 premises, or the resetting or repositioning of a product within the  
33 licensed premises.

34 (ii) The purchase or sale of any product produced, imported,  
35 distributed, represented, or promoted by an authorized licensee  
36 or its agent.

37 (F) An agreement, whether written or oral, entered into, by,  
38 and between a retail licensee and an authorized licensee that  
39 precludes the advertisement or promotion of a sweepstakes on the

1 *premises of the retail licensee by another authorized licensee or*  
2 *its agent is prohibited.*

3 (9) *Sweepstakes prizes shall not be awarded to an authorized*  
4 *licensee, retail licensee, or wholesale licensee or agent, officer,*  
5 *employee, or family member of an authorized licensee, retail*  
6 *licensee, or wholesale licensee. For purpose of this paragraph,*  
7 *“family member” means a spouse, parent, sibling, child,*  
8 *son-in-law, daughter-in-law, and lineal descendants, including*  
9 *those by adoption. An authorized licensee shall maintain all*  
10 *records pertaining to a sweepstakes for three years following the*  
11 *completion of a sweepstakes.*

12 (b) *For purposes of this section:*

13 (1) (A) *“Authorized licensee” means a winegrower, beer and*  
14 *wine importer general, beer manufacturer, out-of-state beer*  
15 *manufacturer certificate holder, distilled spirits manufacturer,*  
16 *distilled spirits manufacturer’s agent, distilled spirits importer*  
17 *general, distilled spirits general rectifier, rectifier, out-of-state*  
18 *distilled spirits shipper’s certificate holder, brandy manufacturer,*  
19 *and brandy importer. An authorized licensee may conduct or*  
20 *participate in a sweepstakes pursuant to this section if the licensee*  
21 *holds any additional license not included in this paragraph.*

22 (B) *An “authorized licensee” shall not include a beer and wine*  
23 *wholesaler, a beer and wine importer general, or distilled spirits*  
24 *importer general that only holds a wholesaler’s or retailer’s license*  
25 *as an additional license.*

26 (2) *“Sweepstakes” means a procedure, activity, or event for the*  
27 *distribution of anything of value by lot, chance, or random selection*  
28 *where the odds for winning a prize are equal for each entry.*

29 (c) *Nothing in this section authorizes conducting sweepstakes*  
30 *where consumers are entitled to an allotment or accumulation of*  
31 *points based on purchases made over a period of time that can be*  
32 *redeemed for prizes, things of value, or additional sweepstakes*  
33 *entries.*

34 (d) *An authorized licensee that violates this section, in addition*  
35 *to any other penalty imposed by this division, may be prohibited*  
36 *by the department from offering a sweepstakes to California*  
37 *residents for a period of 12 months.*

38 SEC. 3. *No reimbursement is required by this act pursuant to*  
39 *Section 6 of Article XIII B of the California Constitution because*  
40 *the only costs that may be incurred by a local agency or school*

1 *district will be incurred because this act creates a new crime or*  
2 *infraction, eliminates a crime or infraction, or changes the penalty*  
3 *for a crime or infraction, within the meaning of Section 17556 of*  
4 *the Government Code, or changes the definition of a crime within*  
5 *the meaning of Section 6 of Article XIII B of the California*  
6 *Constitution.*

7 SECTION 1. ~~Section 25600.1 is added to the Business and~~  
8 ~~Professions Code, to read:~~

9 25600.1. (a) ~~Notwithstanding any other provision of law, an~~  
10 ~~authorized licensee may conduct, sponsor, or participate in~~  
11 ~~consumer contests and sweepstakes, subject to the following~~  
12 ~~conditions:~~

13 (1) (A) ~~Except as provided in subparagraph (B), a purchase or~~  
14 ~~entry fee shall not be required to enter a contest or sweepstakes.~~  
15 ~~Entry or extra chances in a contest or sweepstakes shall not be~~  
16 ~~made available via the purchase of an alcoholic beverage. Entrance~~  
17 ~~into a sweepstakes shall be limited to persons 21 years of age or~~  
18 ~~older.~~

19 (B) ~~A purchase or entry fee may be required to enter a contest~~  
20 ~~or sweepstakes if the principal sponsor of the contest or~~  
21 ~~sweepstakes is a bona fide amateur or professional organization~~  
22 ~~established for the encouragement and promotion of an activity.~~  
23 ~~Entrance into a contest where the principal sponsor of the contest~~  
24 ~~or sweepstakes is a bona fide amateur or professional organization~~  
25 ~~established for the encouragement and promotion of an activity~~  
26 ~~shall be limited to persons 21 years of age or older.~~

27 (2) (A) ~~Caps, cap liners, corks, labels, cartons, cases, or other~~  
28 ~~material attached to an alcoholic beverage shall not be used as an~~  
29 ~~entry to a contest or sweepstakes or as a means of determining the~~  
30 ~~amount or size of the prize or the winner in a contest or~~  
31 ~~sweepstakes.~~

32 (B) ~~Entry forms may be provided via neck hangers or other~~  
33 ~~printed materials that are easily removable from alcoholic beverage~~  
34 ~~containers or packaging only if similar entry forms are available~~  
35 ~~at the point of sale or an alternative means of entry is available.~~

36 (C) ~~Entry forms may be in the form of codes printed on alcoholic~~  
37 ~~beverage containers or packaging that may be scanned or~~  
38 ~~electronically entered by a consumer without requiring the purchase~~  
39 ~~of any product. All entry forms or codes attached to, printed on,~~  
40 ~~or in any way connected to or with an alcoholic beverage container~~

1 ~~or package shall clearly indicate that the entry form may be~~  
2 ~~removed or the code scanned or electronically entered without the~~  
3 ~~purchase of any alcoholic beverage or other product.~~

4 ~~(D) All sweepstakes entry forms shall provide an entrant with~~  
5 ~~equal odds of winning.~~

6 ~~(3) A contest or sweepstakes shall not provide for the instant~~  
7 ~~or immediate awarding of a prize or prizes.~~

8 ~~(4) (A) A visit to a retail premises shall not be required to enter~~  
9 ~~a contest or sweepstakes.~~

10 ~~(B) Except as provided in subparagraph (C), a contest shall not~~  
11 ~~be held at the premises of a retail licensee or the premises of a~~  
12 ~~winegrower or beer manufacturer operating under a duplicate~~  
13 ~~license for a branch office.~~

14 ~~(C) A contest in which the principal sponsor is a bona fide~~  
15 ~~amateur or professional organization established for the~~  
16 ~~encouragement and promotion of an activity may be held on the~~  
17 ~~premises of a retail licensee. Authorized licensees may sponsor or~~  
18 ~~participate in this type of contest only by making monetary~~  
19 ~~payments to the bona fide amateur or professional organization~~  
20 ~~acting as the principal sponsor.~~

21 ~~(5) Alcoholic beverages or anything redeemable for alcoholic~~  
22 ~~beverages shall not be awarded as a contest or sweepstakes prize.~~  
23 ~~This paragraph shall not prohibit a contest or sweepstakes in which~~  
24 ~~the prize is cash or the awarding of cash in lieu of a prize that is~~  
25 ~~tangible personal property or real property.~~

26 ~~(6) A retail licensee shall not serve as the agent of an authorized~~  
27 ~~licensee by collecting or forwarding entries or awarding prizes to~~  
28 ~~a contest or sweepstakes winner. The matching of entries with~~  
29 ~~numbers or pictures on the point-of-sale materials at retail licensed~~  
30 ~~premises is permitted only if entrants are also offered the~~  
31 ~~opportunity to use an alternative means to determine prize-winning~~  
32 ~~status.~~

33 ~~(7) A licensee that is not an authorized licensee shall not share~~  
34 ~~in, or contribute to, the costs of a contest or sweepstakes authorized~~  
35 ~~by this section or serve as the agent of an authorized licensee to~~  
36 ~~collect or forward entries or to furnish any prize to a contest or~~  
37 ~~sweepstakes winner.~~

38 ~~(8) (A) Advertising of a contest or sweepstakes shall comply~~  
39 ~~with the signage and advertising restrictions contained in this~~

1 chapter, Chapter 15 (commencing with Section 25500), and any  
2 regulations issued by the department.

3 (B) Advertising or promotion of a contest or sweepstakes shall  
4 not identify or refer to any retail licensee.

5 (C) A retail licensee shall only advertise or promote a contest  
6 or sweepstakes authorized by this section in the manner specified  
7 in subparagraph (A).

8 (D) Advertising or promotion of a contest or sweepstakes shall  
9 only be conducted on the premises of a retail licensee when such  
10 advertisement or promotion involves a minimum of three  
11 unaffiliated retail licensees. For purposes of this subparagraph,  
12 “unaffiliated retail licensees” shall not include any retail licensee  
13 owned in whole or in part by an authorized licensee or any officer,  
14 director, or agent of that licensee.

15 (E) Placement of signs or other advertising of a contest or  
16 sweepstakes in a licensed retail premises shall not be conditioned  
17 upon the following:

18 (i) The placement of any product within the licensed premises  
19 or the exclusion of a product from the licensed premises.

20 (ii) The purchase or sale of any product produced, imported,  
21 distributed, represented, or promoted by an authorized licensee.

22 (F) An agreement, whether written or oral, entered into, by, and  
23 between a retail licensee and an authorized licensee that precludes  
24 the advertisement or promotion of a contest or sweepstakes on the  
25 premises of the retail licensee by another authorized licensee is  
26 prohibited.

27 (9) Contest or sweepstakes prizes shall not be awarded to an  
28 authorized licensee, retail licensee, or wholesale licensee or agent,  
29 officer, employee, or family member of an authorized licensee,  
30 retail licensee, or wholesale licensee. An authorized licensee shall  
31 maintain all records pertaining to a contest or sweepstakes for three  
32 years following the completion of a contest or sweepstakes.

33 (b) For purposes of this section:

34 (1) (A) “Authorized licensee” means a winegrower, beer and  
35 wine importer general, beer manufacturer, out-of-state beer  
36 manufacturer certificate holder, distilled spirits manufacturer,  
37 distilled spirits manufacturer’s agent, distilled spirits importer  
38 general, distilled spirits general rectifier, rectifier, out-of-state  
39 distilled spirits shipper’s certificate holder, brandy manufacturer,  
40 and brandy importer. An authorized licensee may conduct, sponsor,

1 or participate in consumer contest and sweepstakes pursuant to  
2 this section if the licensee holds an additional license not included  
3 in this paragraph.

4 (B) An “authorized licensee” shall not include a beer and wine  
5 importer general or distilled spirits importer general that only holds  
6 a wholesaler’s or retailer’s license as an additional license.

7 (2) “Contest” means a game, contest, puzzle, scheme, plan, or  
8 similar activity that holds out or offers to participants the  
9 opportunity to receive or compete for gifts, prizes, gratuities, or  
10 other things of value as determined by skill, knowledge, or ability  
11 rather than upon random selection. Skill, knowledge, or ability  
12 does not include the consumption or use of alcoholic beverages.

13 (3) “Principal sponsor” means the person or organization that  
14 is identified as a primary or major sponsor of the event or activity  
15 or for which the event or activity is named.

16 (4) “Sweepstakes” means a procedure, activity, or event for the  
17 distribution of anything of value by lot, chance, or random selection  
18 where the odds for winning a prize are equal for each entry.

19 (e) A contest or sweepstakes conducted pursuant to this section  
20 shall not offer or award more than five prizes that exceed the  
21 monetary limits for premiums, gifts, or free goods specified in this  
22 division or a regulation of the department.

23 (d) Nothing in this section authorizes marketing schemes where  
24 consumers are entitled to an allotment of points based on purchases  
25 made over a period of time that can be redeemed for prizes, things  
26 of value, or additional contest or sweepstakes entries.

27 (e) An authorized licensee that violates this section, in addition  
28 to any other penalty imposed by this division, may be prohibited  
29 by the department from offering a contest or sweepstakes to  
30 California residents for a period of 12 months.

31 SEC. 2.—No reimbursement is required by this act pursuant to  
32 Section 6 of Article XIII B of the California Constitution because  
33 the only costs that may be incurred by a local agency or school  
34 district will be incurred because this act creates a new crime or  
35 infraction, eliminates a crime or infraction, or changes the penalty  
36 for a crime or infraction, within the meaning of Section 17556 of  
37 the Government Code, or changes the definition of a crime within

1 ~~the meaning of Section 6 of Article XIII B of the California~~  
2 ~~Constitution.~~

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