

AMENDED IN ASSEMBLY SEPTEMBER 10, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1441

Introduced by Assembly Member Gray

February 27, 2015

An act to amend Section 25664 of the Business and Professions Code, relating to alcoholic beverages; add Chapter 4.6 (commencing with Section 19720) to Division 8 of the Business and Professions Code, and to amend Sections 336.9 and 337a of the Penal Code, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

AB 1441, as amended, Gray. ~~Alcoholic beverages; minors; purchase.~~
Gambling; sports wagering.

The California Constitution prohibits various gaming activities within the state, including casino-style gaming, but authorizes the Governor, subject to ratification by the Legislature, to negotiate and conclude compacts for the operation of slot machines and the conduct of lottery games and banking and percentage card games by federally recognized Indian tribes on Indian lands in California in accordance with federal law. The California Constitution also authorizes the Legislature to provide for the regulation of horse racing, charitable bingo games, the California State Lottery, and charitable raffles.

Existing federal law, referred to as the Professional and Amateur Sports Protection Act, prohibits a governmental entity or a person from conducting a lottery, sweepstakes, or other betting, gambling, or wagering scheme based, directly or indirectly, on competitive games or performances in which amateur or professional athletes participate.

Existing law prohibits a person, whether or not for gain, hire, or reward, from placing a bet or wager on the result of any contest of skill, speed, or power of endurance of person, as specified, and prohibits a person from pool selling or bookmaking.

The Gambling Control Act provides for the licensure of certain individuals and establishments that conduct controlled games, as defined, and for the regulation of these gambling activities by the California Gambling Control Commission. Existing law provides for the enforcement of those regulations by the Department of Justice. Any willful violation of these provisions for which a punishment is not expressly provided, is punishable as a misdemeanor.

The Horse Racing Law provides for the licensure of every person who participates in, or has anything to do with, the racing of horses, and every employee of a parimutuel department by the California Horse Racing Board. The board is responsible for adopting rules and regulations for the protection of the public, the control of horse racing, and parimutuel wagering, as well as enforcing all laws, rules, and regulations dealing with horse racing and parimutuel wagering. The law permits the board to authorize an association licensed to conduct a racing meeting to also operate a satellite wagering facility at its racetrack inclosure, and for fairs to locate a satellite wagering facility at their fairgrounds, under specified conditions. Any violation of these provisions is punishable as a misdemeanor.

This bill would enact the California Interactive Sports Wagering Consumer Protection Act, which would authorize the owner or operator of a card room that holds a state gambling license, a racing association or racing fair with a current license, or a federally recognized California Indian tribe that operates a gaming facility pursuant to a facility license issued in accordance with a tribal gaming ordinance, to accept and facilitate wagering on a sports event, as defined, by any legal system or method of wagering, including, but not limited to, exchange wagering, parlays, over-under, moneyline, and straight bets, by applying to the Department of Justice for a license and authorization to conduct sports wagering, as defined. The bill would require sports wagering to be accepted and executed only using telephone, computer, or another method of electronic wagering communication. The bill would require each licensed operator to pay an annual fee of \$_____ to the State Department of Public Health for deposit in the Gambling Addiction Program Fund. The bill would require each licensed operator to remit to the Treasurer on a quarterly basis for deposit in the _____ Fund

an amount equal to _____ from the total win amount from the facilitation of a sports event wager. The bill would require the department to adopt regulations to implement these provisions, including authority to adopt regulations establishing fees in a reasonable amount necessary to recover the costs incurred by the department relating to the administration of these provisions.

This bill would require the department to, among other things, monitor the conduct of all licensed operators. The bill would prohibit a licensed operator from, among other things, accepting a wager from any person who is under 21 years of age or whose name appears on a self-exclusion list. Any willful violation of these provisions would be punishable as a misdemeanor. By creating a new crime, this bill would impose a state-mandated local program.

This bill would provide that its provisions would become operative only if the federal Professional and Amateur Sports Protection Act is amended or repealed to allow sports wagering in California and a state constitutional amendment to authorize sports wagering has been approved by the voters.

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.

This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

~~(1) The Alcoholic Beverage Control Act regulates the application, issuance, and suspension of alcoholic beverage licenses by the Department of Alcoholic Beverage Control. The act prohibits an advertisement of alcoholic beverages from using subject matter or language addressed to minors and intended to encourage them to drink alcoholic beverages. The act provides that a person convicted of a violation of its provisions is guilty of a misdemeanor unless another penalty or punishment is specifically provided.~~

~~This bill would prohibit an advertisement of alcoholic beverages from using subject matter or language addressed to minors and intended to encourage them to purchase alcoholic beverages. By expanding the scope of a crime, this bill would impose a state-mandated local program.~~

~~(2) 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~~^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *Since January 1, 1993, the federal Professional and Amateur*
- 4 *Sports Protection Act (28 U.S.C. Sec. 3701 et seq.), known as*
- 5 *PASPA, has prohibited most states and local governments from*
- 6 *authorizing sports wagering.*
- 7 (b) *Under PASPA, Nevada is the only state where full-scale*
- 8 *sports wagering is currently legally conducted, and this activity*
- 9 *has resulted in great direct and indirect revenues to that state's*
- 10 *economy.*
- 11 (c) *It has been reported that more than 30 million people visit*
- 12 *Nevada every year and place a sports bet. Betting on sporting*
- 13 *events rose 7.7 percent to \$3.9 billion in 2014, and revenue hit a*
- 14 *record, jumping 11.8 percent to \$227 million, according to the*
- 15 *Nevada Gaming Control Board.*
- 16 (d) *There is no solid data on the volume of illegal sports betting*
- 17 *activity occurring in the United States, but some estimate that*
- 18 *nearly \$400 billion is illegally wagered on sports each year.*
- 19 (e) *In January 2015, the American Gaming Association*
- 20 *estimated that Americans were expected to make \$3.8 billion worth*
- 21 *of illegal bets on the 2015 Super Bowl between the New England*
- 22 *Patriots and the Seattle Seahawks. That figure stands in stark*
- 23 *contrast to the approximately \$100 million bet legally on the Super*
- 24 *Bowl each year. In fact, the illegal market is 38 times greater than*
- 25 *the legal market for sports wagering.*
- 26 (f) *If the federal sports wagering ban is changed to allow sports*
- 27 *wagering across the country, state gaming enforcement agencies*
- 28 *would be required to properly regulate and enforce this activity.*
- 29 (g) *If the federal sports wagering ban is ever lifted, it is in the*
- 30 *best interests of this State that legalized sports wagering be*

1 authorized to be conducted by licensed card rooms, licensed horse
2 racing associations, and federally recognized Indian tribes, under
3 regulation and control by the Department of Justice.

4 SEC. 2. Chapter 4.6 (commencing with Section 19720) is added
5 to Division 8 of the Business and Professions Code, to read:

6

7

CHAPTER 4.6. CALIFORNIA INTERACTIVE SPORTS WAGERING
CONSUMER PROTECTION ACT

8

9

10 19720. This chapter shall be known, and may be cited, as the
11 California Interactive Sports Wagering Consumer Protection Act.

12 19721. (a) Subject to a state constitutional amendment that
13 has been approved by the voters and a change in federal law, the
14 following entities may be licensed by the department to accept and
15 facilitate wagering on sports events as authorized pursuant to this
16 chapter:

17 (1) A card room that operates pursuant to Chapter 5
18 (commencing with Section 19800) whose owner or owners have
19 been authorized, subject to oversight by, and are in good standing
20 with, the applicable state regulatory authorities.

21 (2) A racing association or racing fair, with a current license
22 issued by the California Horse Racing Board pursuant to Chapter
23 4 (commencing with Section 19400). A licensed racing association
24 or licensed racing fair may conduct sports wagering only if it has
25 an agreement in place with the organization recognized by the
26 board that is responsible for negotiating purse agreements, satellite
27 wagering agreements, and all other business agreements on behalf
28 of horsemen and horsewomen participating in a racing meeting.

29 (3) A federally recognized California Indian tribe that operates
30 a gaming facility pursuant to a facility license issued in accordance
31 with a tribal gaming ordinance approved by the Chair of the
32 National Indian Gaming Commission.

33 (b) The entities listed in subdivision (a) that are eligible for
34 licensure pursuant to this chapter may form a partnership, joint
35 venture, or any other affiliation in order to further the purposes
36 of this chapter.

37 19722. As used in this chapter, the following definitions shall
38 apply:

39 (a) "Board" means the California Horse Racing Board.

- 1 (b) “Card room” means a gambling enterprise, as defined in
 2 subdivision (m) of Section 19805.
- 3 (c) “Department” means the Department of Justice.
- 4 (d) “Licensed operator” means any of the entities listed in
 5 subdivision (a) of Section 19721 that are authorized pursuant to
 6 this chapter to conduct sports wagering.
- 7 (e) “Prohibited sports event” means any collegiate sport or
 8 athletic event that takes place in California, or a sports event in
 9 which any California college team participates, regardless of
 10 where the event takes place.
- 11 (f) “Sports event” shall include any professional sports or
 12 athletic event, and any collegiate sports or athletic event, except
 13 a prohibited sports event.
- 14 (g) “Sports wagering” means the business of accepting wagers
 15 on a sports event by any legal system or method of wagering,
 16 including, but not limited to, exchange wagering, parlays,
 17 over-under, moneyline, and straight bets.
- 18 (h) “Internet” means the international computer network of
 19 both federal and nonfederal interoperable packet-switched data
 20 networks.
- 21 (i) “Licensed service provider” means a person who is licensed
 22 pursuant to this chapter to provide goods or services to a licensed
 23 operator for use in the operation of an authorized sports wagering
 24 Internet Web site.
- 25 19723. (a) An entity listed in subdivision (a) of Section 19721
 26 that is seeking to conduct sports wagering shall apply to the
 27 department for authorization to conduct sports wagering.
- 28 (b) (1) The department shall hear and decide, and in reasonable
 29 order, all applications to conduct sports wagering from licensed
 30 card rooms, licensed racing associations or racing fairs, federally
 31 recognized Indian tribes, and service providers.
- 32 (2) Authorization to conduct sports wagering shall not be
 33 unreasonably withheld from any applicant that is in good standing
 34 and has a current license issued pursuant to Chapter 4
 35 (commencing with Section 19400) or Chapter 5 (commencing with
 36 Section 19800).
- 37 (c) Each licensed operator shall pay an annual fee of _____
 38 (\$_____) to the State Department of Public Health for deposit in
 39 the Gambling Addiction Program Fund.

1 (d) In consideration of the substantial value of each license,
2 each licensed operator shall remit to the Treasurer on a quarterly
3 basis for deposit in the _____ Fund an amount equal to _____
4 from the total win amount from the facilitation of a sports event
5 wager.

6 19724. Within 270 days after the operative date of this chapter,
7 the department shall adopt regulations for the administration of
8 this chapter and may adopt regulations establishing fees in a
9 reasonable amount necessary to recover the costs incurred by the
10 department relating to the administration of this chapter.

11 19725. The regulations adopted by the department shall do
12 both of the following:

13 (a) Provide for the approval of wagering rules and equipment
14 by the department to ensure fairness to the public and compliance
15 with state law, including, but not limited to, all of the following:

16 (1) Acceptance of wagers on a series of sports events.

17 (2) Types of wagering tickets that may be used.

18 (3) The method of issuing tickets.

19 (b) Govern all of the following:

20 (1) The extension of credit.

21 (2) The cashing, deposit, and redemption of checks or other
22 negotiable instruments.

23 (3) The amount of cash reserves to be maintained by licensed
24 operators to cover winning wagers.

25 (4) The provision of reliable records, accounts, and reports of
26 transactions, operations, and events, the method of accounting to
27 be used by licensed operators, and the types of records required
28 to be maintained.

29 19726. The sports wagering authorized pursuant to this chapter
30 shall be accepted and executed only using telephone, computer,
31 or another method of electronic wagering communication.

32 19727. A licensed operator shall not do any of the following:

33 (a) Accept a wager from a person who is under 21 years of age.

34 (b) Accept a sports wager unless the transmission of a wager
35 is initiated from within the State of California.

36 (c) Accept a wager from any person whose name appears on
37 any self-exclusion list.

38 19728. Each licensed operator's sports wagering Internet Web
39 site shall contain information relating to problem gambling,

1 *including a telephone number that an individual may call to seek*
2 *information and assistance for a potential gambling addiction.*

3 *19729. A licensed operator shall establish the odds it will pay*
4 *on wagers placed on sports events.*

5 *19730. (a) A licensed operator shall not conduct any sports*
6 *wagering in violation of this chapter, any regulation adopted*
7 *pursuant to this chapter, or any governing local ordinance.*

8 *(b) Any person who willfully violates this chapter is guilty of a*
9 *misdemeanor.*

10 *19731. (a) The department shall have all of the following*
11 *responsibilities:*

12 *(1) To monitor the conduct of all licensed operators and other*
13 *persons having a material involvement, directly or indirectly, with*
14 *a sports wagering operation.*

15 *(2) To investigate suspected violations of this chapter.*

16 *(3) To investigate complaints that are lodged against licensed*
17 *operators, or other persons associated with a sports wagering*
18 *operation, by members of the public.*

19 *(4) To initiate, when appropriate, disciplinary actions. In*
20 *connection with any disciplinary action pursuant to this chapter,*
21 *the department may seek restriction, limitation, suspension, or*
22 *revocation of any license, permit, authorization, or approval*
23 *pursuant to this chapter, Chapter 4 (commencing with Section*
24 *19400), or Chapter 5 (commencing with Section 19800), or the*
25 *imposition of a fine upon a person licensed, permitted, authorized,*
26 *or approved pursuant to those chapters.*

27 *(5) To adopt regulations related to its functions and duties as*
28 *specified in this chapter.*

29 *(6) To adopt regulations establishing fees in the reasonable*
30 *amount necessary to recover costs incurred by the department*
31 *relating to the enforcement of this chapter.*

32 *(b) The department has all powers necessary and proper to*
33 *enable it to carry out fully and effectually its duties and*
34 *responsibilities as specified in this chapter.*

35 *19732. (a) The department shall make appropriate*
36 *investigations as follows:*

37 *(1) To determine whether there has been any violation of this*
38 *chapter or of any regulation adopted under this chapter.*

1 (2) To determine any facts, conditions, practices, or matters
2 that it may deem necessary or proper to aid in the enforcement of
3 this chapter or of any regulation adopted under this chapter.

4 (3) To aid in adopting regulations.

5 (b) If, after any investigation pursuant to this chapter, the
6 department is satisfied that a license, permit, authorization, or
7 approval issued pursuant to this chapter, Chapter 4 (commencing
8 with Section 19400), or Chapter 5 (commencing with Section
9 19800) should be suspended or revoked, it shall file an accusation
10 in accordance with Chapter 5 (commencing with Section 11500)
11 of Part 1 of Division 3 of Title 2 of the Government Code.

12 (c) In addition to any action that it may take against a license,
13 permit, finding of suitability, or approval, the department may
14 also require the payment of fines or penalties. However, any fine
15 imposed shall not exceed twenty thousand dollars (\$20,000) for
16 each separate violation of this chapter or of any regulation adopted
17 under this chapter.

18 19733. The department shall have the authority to regulate
19 sports wagering to the same extent that the department currently
20 regulates other legal gambling in this state, including the ability
21 to audit the books and records of a licensed operator.

22 19734. (a) This chapter shall become operative only if both
23 of the following occur:

24 (1) The federal Professional and Amateur Sports Protection
25 Act (28 U.S.C. Sec. 3701 et seq.) is amended or repealed to allow
26 sports wagering in California.

27 (2) A state constitutional amendment to authorize sports
28 wagering has been approved by the voters.

29 (b) This chapter shall become operative on the date that the
30 Attorney General executes a declaration, which shall be retained
31 by the Attorney General, stating that both of the events described
32 in subdivision (a) have occurred.

33 (c) In addition to the requirements specified in subdivision (b),
34 the Attorney General shall post the declaration on the department's
35 Internet Web site and the Attorney General shall send the
36 declaration to the appropriate policy committees of the Legislature
37 and to the Legislative Counsel.

38 SEC. 3. Section 336.9 of the Penal Code is amended to read:

39 336.9. (a) Notwithstanding Section 337a, and except as
40 provided in subdivision (b), any person who, not for gain, hire, or

1 reward other than that at stake under conditions available to every
 2 participant, knowingly participates in any of the ways specified in
 3 paragraph (2), (3), (4), (5), or (6) of subdivision (a) of Section
 4 337a in any bet, bets, wager, wagers, or betting pool or pools made
 5 between the person and any other person or group of persons who
 6 are not acting for gain, hire, or reward, other than that at stake
 7 under conditions available to every participant, upon the result of
 8 any lawful trial, or purported trial, or contest, or purported contest,
 9 of skill, speed, or power of endurance of person or animal, or
 10 between persons, animals, or mechanical apparatus, is guilty of
 11 an infraction, punishable by a fine not to exceed two hundred fifty
 12 dollars (\$250).

13 (b) Subdivision (a) does not apply to ~~either~~ any of the following
 14 situations:

15 (1) Any bet, bets, wager, wagers, or betting pool or pools made
 16 online.

17 (2) Betting pools with more than two thousand five hundred
 18 dollars (\$2,500) at stake.

19 (3) *Any sports wagering authorized pursuant to Chapter 4.6*
 20 *(commencing with Section 19720) of Division 8 of the Business*
 21 *and Professions Code.*

22 *SEC. 4. Section 337a of the Penal Code is amended to read:*

23 337a. (a) Except as provided in Section 336.9, *and as*
 24 *authorized pursuant to Chapter 4.6 (commencing with Section*
 25 *19720) of Division 8 of the Business and Professions Code*, every
 26 person who engages in one of the following ~~offenses~~, *offenses*
 27 shall be punished for a first offense by imprisonment in a county
 28 jail for a period of not more than one year or in the state prison,
 29 or by a fine not to exceed five thousand dollars (\$5,000), or by
 30 both imprisonment and fine:

31 (1) Pool selling or bookmaking, with or without writing, at any
 32 time or place.

33 (2) Whether for gain, hire, reward, or gratuitously, or otherwise,
 34 keeps or occupies, for any period of time whatsoever, any room,
 35 shed, tenement, tent, booth, building, float, vessel, place, stand or
 36 enclosure, of any kind, or any part thereof, with a book or books,
 37 paper or papers, apparatus, device or paraphernalia, for the purpose
 38 of recording or registering any bet or bets, any purported bet or
 39 bets, wager or wagers, any purported wager or wagers, selling
 40 pools, or purported pools, upon the result, or purported result, of

1 any trial, purported trial, contest, or purported contest, of skill,
2 ~~speed~~ *speed*, or power of endurance of person or animal, or between
3 persons, animals, or mechanical apparatus, or upon the result, or
4 purported result, of any lot, chance, casualty, *or* unknown or
5 contingent event whatsoever.

6 (3) Whether for gain, hire, reward, or gratuitously, or otherwise,
7 receives, holds, or forwards, or purports or pretends to receive,
8 hold, or forward, in any manner whatsoever, any money, thing or
9 consideration of value, or the equivalent or memorandum thereof,
10 staked, pledged, bet or wagered, or to be staked, pledged, bet or
11 wagered, or offered for the purpose of being staked, pledged, bet
12 or wagered, upon the result, or purported result, of any trial, or
13 purported trial, or contest, or purported contest, of skill, ~~speed~~
14 *speed*, or power of endurance of person or animal, or between
15 persons, animals, or mechanical apparatus, or upon the result, or
16 purported result, of any lot, chance, casualty, *or* unknown or
17 contingent event whatsoever.

18 (4) Whether for gain, hire, reward, or gratuitously, or otherwise,
19 at any time or place, records, or registers any bet or bets, wager
20 or wagers, upon the result, or purported result, of any trial, or
21 purported trial, or contest, or purported contest, of skill, ~~speed~~
22 *speed*, or power of endurance of person or animal, or between
23 persons, animals, or mechanical apparatus, or upon the result, or
24 purported result, of any lot, chance, casualty, *or* unknown or
25 contingent event whatsoever.

26 (5) Being the owner, lessee or occupant of any room, shed,
27 tenement, tent, booth, building, float, vessel, place, stand, enclosure
28 or grounds, or any part thereof, whether for gain, hire, reward, or
29 gratuitously, or otherwise, permits that space to be used or occupied
30 for any purpose, or in any manner prohibited by paragraph (1),
31 (2), (3), or (4).

32 (6) Lays, makes, offers or accepts any bet or bets, or wager or
33 wagers, upon the result, or purported result, of any trial, or
34 purported trial, or contest, or purported contest, of skill, speed or
35 power of endurance of person or animal, or between persons,
36 animals, or mechanical apparatus.

37 (b) In any accusatory pleading charging a violation of this
38 section, if the defendant has been once previously convicted of a
39 violation of any subdivision of this section, the previous conviction
40 shall be charged in the accusatory pleading, and, if the previous

1 conviction is found to be true by the jury, upon a jury trial, or by
2 the court, upon a court trial, or is admitted by the defendant, the
3 defendant shall, if he or she is not imprisoned in the state prison,
4 be imprisoned in the county jail for a period of not more than one
5 year and pay a fine of not less than one thousand dollars (\$1,000)
6 and not to exceed ten thousand dollars (\$10,000). Nothing in this
7 paragraph shall prohibit a court from placing a person subject to
8 this subdivision on probation. However, that person shall be
9 required to pay a fine of not less than one thousand dollars (\$1,000)
10 nor more than ten thousand dollars (\$10,000) or be imprisoned in
11 the county jail for a period of not more than one year, as a condition
12 thereof. In no event does the court have the power to absolve a
13 person convicted pursuant to this subdivision from either being
14 imprisoned or from paying a fine of not less than one thousand
15 dollars (\$1,000) and not more than ten thousand dollars (\$10,000).

16 (c) In any accusatory pleading charging a violation of this
17 section, if the defendant has been previously convicted two or
18 more times of a violation of any subdivision of this section, each
19 previous conviction shall be charged in the accusatory pleadings.
20 If two or more of the previous convictions are found to be true by
21 the jury, upon a jury trial, or by the court, upon a court trial, or are
22 admitted by the defendant, the defendant shall, if he or she is not
23 imprisoned in the state prison, be imprisoned in ~~the~~ a county jail
24 for a period of not more than one year or pay a fine of not less than
25 one thousand dollars (\$1,000) nor more than fifteen thousand
26 dollars (\$15,000), or be punished by both imprisonment and fine.
27 Nothing in this paragraph shall prohibit a court from placing a
28 person subject to this subdivision on probation. However, that
29 person shall be required to pay a fine of not less than one thousand
30 dollars (\$1,000) nor more than fifteen thousand dollars (\$15,000),
31 or be imprisoned in ~~the~~ a county jail for a period of not more than
32 one year as a condition thereof. In no event does the court have
33 the power to absolve a person convicted and subject to this
34 subdivision from either being imprisoned or from paying a fine of
35 not more than fifteen thousand dollars (\$15,000).

36 (d) Except where the existence of a previous conviction of any
37 subdivision of this section was not admitted or not found to be true
38 pursuant to this section, or the court finds that a prior conviction
39 was invalid, the court shall not strike or dismiss any prior
40 convictions alleged in the information or indictment.

1 (e) This section applies not only to persons who commit any of
2 the acts designated in paragraphs (1) to (6), inclusive, of
3 subdivision (a), as a business or occupation, but also applies to
4 every person who in a single instance engages in any one of the
5 acts specified in paragraphs (1) to (6), inclusive, of subdivision
6 (a).

7 *SEC. 5. No reimbursement is required by this act pursuant to*
8 *Section 6 of Article XIII B of the California Constitution because*
9 *the only costs that may be incurred by a local agency or school*
10 *district will be incurred because this act creates a new crime or*
11 *infraction, eliminates a crime or infraction, or changes the penalty*
12 *for a crime or infraction, within the meaning of Section 17556 of*
13 *the Government Code, or changes the definition of a crime within*
14 *the meaning of Section 6 of Article XIII B of the California*
15 *Constitution.*

16 ~~SECTION 1. Section 25664 of the Business and Professions~~
17 ~~Code is amended to read:~~

18 ~~25664. (a) (1) The use, in any advertisement of alcoholic~~
19 ~~beverages, of any subject matter, language, or slogan addressed~~
20 ~~to and intended to encourage minors to purchase or drink the~~
21 ~~alcoholic beverages, is prohibited.~~

22 ~~(2) Signage or flyers advertising an establishment that serves~~
23 ~~alcoholic beverages to individuals under the age of 21 years are~~
24 ~~prohibited under paragraph (1) if one of the establishment's~~
25 ~~principal business activities is the selling of alcoholic beverages,~~
26 ~~and the advertisement expressly states that the jurisdiction in which~~
27 ~~the establishment is located has a legal drinking age of under 21~~
28 ~~years or that individuals under the age of 21 years may patronize~~
29 ~~the establishment.~~

30 ~~(3) Nothing in this section shall be deemed to restrict or prohibit~~
31 ~~any advertisement of alcoholic beverages to those persons of legal~~
32 ~~drinking age.~~

33 ~~(b) The department may adopt rules as it determines to be~~
34 ~~necessary for the administration of this section.~~

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

- 1 ~~the Government Code, or changes the definition of a crime within~~
- 2 ~~the meaning of Section 6 of Article XIII B of the California~~
- 3 ~~Constitution.~~

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