

ASSEMBLY BILL

No. 2135

Introduced by Assembly Member Levine

February 17, 2016

An act to add Sections 23300.1 and 23377.1 to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 2135, as introduced, Levine. Alcoholic beverages: revenue sharing: consumer broker license.

(1) Existing law, the Alcoholic Beverage Control Act, which is administrated by the Department of Alcoholic Beverage Control, regulates the application, issuance, and suspension of alcoholic beverage licenses. Existing law establishes specified types of alcoholic beverage licenses and prescribes the rights and duties of the respective licensees. Existing law prohibits a person from exercising a privilege or performing any act for which a license is required, and a violation of this prohibition a misdemeanor or a felony, as specified.

This bill would specify that a written agreement regarding the sharing or splitting of gross revenue from the sale of alcoholic beverages between a licensee and a district agricultural association, the California Exposition and State Fair, a county fair, or a citrus fruit fair, in connection with the sale of alcoholic beverages during a state or county fair is not the exercise of a license privilege or performance of an act for which a license is required, except as specified.

(2) 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 authorize the department to issue a consumer broker’s license that would allow the licensee to act as a broker, for a fee or commission and pursuant to a written agreement, in the sale to consumers of beer or wine, subject to specified restrictions, including that the licensee not buy or sell any alcoholic beverages for its own account. The bill would impose an original fee and an annual renewal fee for the license, which would be deposited in the Alcohol Beverage Control Fund.

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 23300.1 is added to the Business and
2 Professions Code, to read:
3 23300.1. A written agreement regarding the sharing or splitting
4 of gross revenue from the sale of alcoholic beverages between a
5 licensee and a district agricultural association, the California
6 Exposition and State Fair, a county fair, or a citrus fruit fair, in
7 connection with the sale of alcoholic beverages during a state or
8 county fair is not the exercise of a license privilege or performance
9 of an act for which a license is required, unless the agreement, or
10 any other related agreement or understanding, results in an
11 unlicensed person exercising control or undue influence over a
12 licensee or the operation of a licensed business.

13 SEC. 2. Section 23377.1 is added to the Business and
14 Professions Code, to read:
15 23377.1. (a) The department may issue a consumer broker’s
16 license that shall authorize the person to whom issued to act as a
17 broker, for a fee or commission and pursuant to a written
18 agreement, in the sale to consumers of beer for, or on behalf of, a
19 licensed beer manufacturer, or in the sale to consumers of wine
20 for, or on behalf of, a licensed winegrower.

21 (b) The written agreement may include authorization for the
22 broker to operate a branch office for, or on behalf of, a beer
23 manufacturer, licensed pursuant to Section 23389, or winegrower,
24 licensed pursuant to Section 23390. The broker may charge fees
25 as agreed upon between the parties in the operation of the licensed

1 branch office. The department may suspend or revoke any
2 consumer broker's license when grounds exist for suspension or
3 revocation in the operation of a branch office pursuant to this
4 subdivision.

5 (c) A consumer broker licensee shall not buy or sell any
6 alcoholic beverages for its own account, take or deliver title to
7 alcoholic beverages, or receive or store any alcoholic beverages
8 in its own name in this state.

9 (d) (1) An applicant for an original consumer broker's licensee,
10 or the renewal of that license, shall accompany the application
11 with a fee of three hundred dollars (\$300). The department may
12 adjust these fees as provided in subdivisions (b) and (c) of Section
13 23320.

14 (2) All moneys collected from the fees provided for in this
15 section shall be deposited in the Alcohol Beverage Control Fund
16 as provided in Section 25761.