

ASSEMBLY BILL

No. 2913

Introduced by Committee on Governmental Organization (Assembly Members Gray (Chair), Bigelow (Vice Chair), Alejo, Bonta, Campos, Cooley, Cooper, Daly, Gallagher, Gipson, Jones-Sawyer, Levine, Linder, Maienschein, Salas, and Wilk)

March 17, 2016

An act to amend Section 23355.3 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 2913, as introduced, Committee on Governmental Organization. Alcoholic beverages: licensees.

The Alcoholic Beverage Control Act regulates the application for, the issuance of, the suspension of, and the conditions imposed upon, various alcoholic beverage licenses pursuant to which the licensees may exercise specified privileges in the state. The act authorizes licensees to sponsor or otherwise participate in an event conducted by, and for the benefit of, a nonprofit organization in which retail and nonretail licensees are involved as sponsors or participants, subject to specified conditions.

The act authorizes a nonretail licensee to advertise or communicate sponsorship or participation in the event and provides that advertising or communication may include, but is not limited to, initiating, sharing, reposting, or otherwise forwarding a social media post by a permanent retail licensee or a nonretail licensee, as specified.

This bill would delete the word “initiating” from that provision.

The act also prohibits a retail licensee from receiving any advertising, sale, or promotional benefit from any permanent retail licensee in connection with the sponsorship or participation.

This bill instead would prohibit a nonretail licensee from receiving that advertising, sale, or promotional benefit.

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 23355.3 of the Business and Professions
2 Code is amended to read:

3 23355.3. (a) A licensee may sponsor or otherwise participate
4 in an event conducted by, and for the benefit of, a nonprofit
5 organization in which retail and nonretail licensees are involved
6 as sponsors or participants, subject to all of the following
7 conditions:

8 (1) Except as otherwise provided in this section, any payment
9 of money or other consideration for sponsorship or participation
10 in the event shall be made only to the nonprofit organization
11 conducting the event.

12 (2) Except as otherwise provided in this section, a nonretail
13 licensee shall not, directly or indirectly, pay money or provide any
14 other thing of value to a permanent retail licensee that is also a
15 sponsor of, or participant in, the event.

16 (3) A nonretail licensee may donate alcoholic beverages to a
17 nonprofit only as otherwise authorized by Section 25503.9.

18 (4) Except as otherwise provided by this division, a retail
19 licensee shall not give, sell, or furnish any alcoholic beverages to
20 the temporary licensee.

21 (5) A nonretail or retail licensee may choose to participate in
22 any level of sponsorship, including at the name or principal sponsor
23 level. A nonprofit organization may choose to have one, or
24 multiple, name or principal sponsors.

25 (6) (A) A nonretail licensee may advertise or communicate
26 sponsorship or participation in the event. This advertising or
27 communication may include, but is not limited to, ~~initiating,~~
28 sharing, reposting, or otherwise forwarding a social media post by
29 a permanent retail licensee or a nonretail licensee if the
30 advertisement or communication does not contain the retail price

1 of any alcoholic beverage or otherwise promotes a retail licensee
2 beyond its sponsorship or participation in the event.

3 (B) A nonretail licensee shall not pay or reimburse a permanent
4 licensee, directly or indirectly, for any advertising services,
5 including by way of social media. Except as otherwise permitted
6 by this section, a permanent retail licensee shall not accept any
7 payment or reimbursement, directly or indirectly, for any
8 advertising services offered by a nonretail licensee.

9 (C) For the purposes of this subdivision, “social media” means
10 a service, platform, application, or site where users communicate
11 and share media, such as pictures, videos, music, and blogs, with
12 other users.

13 (7) A nonretail licensee shall not require, directly or indirectly,
14 as a condition of sponsorship or participation in any event under
15 this section, that its products be sold or served exclusively at the
16 event. A ~~retail~~ *nonretail* licensee shall not receive, directly or
17 indirectly, any advertising, sale, or promotional benefit from any
18 permanent retail licensee in connection with the sponsorship or
19 participation. A permanent retail licensee shall not offer or provide
20 a nonretail licensee any advertising, sale, or promotional benefit
21 in connection with the sponsorship or participation.

22 (b) This section does not authorize a nonretail licensee to pay,
23 in whole or in part, any costs, including the cost of sponsorship,
24 of any retail licensee that is sponsoring or participating in a
25 nonprofit event.

26 (c) A licensee that sponsors or participates in a nonprofit event
27 under this section shall keep detailed records of its sponsorship or
28 participation and shall maintain those records for a period of at
29 least three years. These records shall be provided to the department
30 upon request.

31 (d) Nothing in this section shall be deemed to exempt the
32 nonprofit organization from obtaining any licenses or permits as
33 may be required to conduct the event.