

AMENDED IN SENATE APRIL 22, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 327

Introduced by Senator Hall

February 23, 2015

An act to amend ~~Sections 24045, 24045.1, and 25633~~ of *Section 25500.1* of, and to repeal *Section 25502.1* of, the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 327, as amended, Hall. Alcoholic beverages: ~~licensees~~. *licensees*: 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 with an on-sale and off-sale alcoholic beverage licensee with limited exceptions, and makes a violation of these prohibitions punishable as a misdemeanor.

Existing law, with certain exceptions, prohibits a manufacturer of alcoholic beverages and a winegrower from paying, crediting, or compensating a retailer for advertising or paying or giving anything of value for the privilege of placing a sign or advertisement with a retail licensee. In this context, existing law specifies that the listing of specified information, including Internet Web site addresses, regarding two or more unaffiliated on-sale or off-sale retailers is not a thing of value or a prohibited inducement, if certain conditions are met.

This bill would recast those provisions to specify that for off-sale retailers, as with on-sale retailers, the listing of other electronic media

does not constitute a thing of value or a prohibited inducement, and would make other changes of a conforming or nonsubstantive nature.

~~The Alcoholic Beverage Control Act authorizes the issuance of a special license for the sale of beer or wine on a temporary basis to a licensee for a picnic, social gathering, or similar occasion. The act also prohibits alcoholic beverages from being delivered to on-sale and off-sale licensees on Sunday and prohibits delivery on any other day except between the hours of 3 a.m. 8 P.M..~~

~~This bill instead would allow beer wholesalers and specified beer manufacturers to deliver beer to holders of the special license described above between the hours of 6 a.m. and 2 p.m. on Sunday. The bill would make conforming technical changes.~~

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

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

- 1 *SECTION 1. Section 25500.1 of the Business and Professions*
 2 *Code is amended to read:*
 3 25500.1. (a) The listing of the names, addresses, telephone
 4 numbers, email addresses, or Internet Web site addresses, or other
 5 electronic media, of two or more unaffiliated on-sale *or off-sale*
 6 retailers selling beer, wine, or distilled spirits produced, distributed,
 7 or imported by a nonretail industry member in response to a direct
 8 inquiry from a consumer received by telephone, by mail, by
 9 electronic inquiry, or in person does not constitute a thing of value
 10 or prohibited inducement to the listed on-sale *or off-sale* retailer,
 11 provided all of the following conditions are met:
 12 (1) The listing does not also contain the retail price of the
 13 product.
 14 (2) The listing is the only reference to the on-sale *or off-sale*
 15 retailers in the direct communication.
 16 (3) The listing does not refer only to one on-sale *or off-sale*
 17 retailer or only to on-sale *or off-sale* retail establishments controlled
 18 directly or indirectly by the same ~~on-sale~~ retailer.
 19 (4) The listing is made by, or produced by, or paid for,
 20 exclusively by the nonretail industry member making the response.
 21 (b) For the purposes of this section, “nonretail industry member”
 22 is defined as a manufacturer, including, but not limited to, a beer
 23 manufacturer, winegrower, or distiller of alcoholic beverages or

1 an agent of that entity, or a wholesaler, regardless of any other
2 licenses held directly or indirectly by that person.

3 *SEC. 2. Section 25502.1 of the Business and Professions Code*
4 *is repealed.*

5 ~~25502.1. (a) Notwithstanding Section 25502, the listing of the~~
6 ~~names, addresses, telephone numbers, e-mail addresses, or Internet~~
7 ~~Web site addresses, of two or more unaffiliated off-sale retailers~~
8 ~~selling the products produced, distributed or imported by a nonretail~~
9 ~~industry member in response to a direct inquiry from a consumer~~
10 ~~received by telephone, by mail, by electronic inquiry or in person~~
11 ~~does not constitute a thing of value or prohibited inducement to~~
12 ~~the listed off-sale retailer, provided all of the following conditions~~
13 ~~are met:~~

14 ~~(1) The listing does not also contain the retail price of the~~
15 ~~product.~~

16 ~~(2) The listing is the only reference to the off-sale retailers in~~
17 ~~the direct communication.~~

18 ~~(3) The listing does not refer only to one off-sale retailer or only~~
19 ~~to off-sale retail establishments controlled directly or indirectly~~
20 ~~by the same off-sale retailer.~~

21 ~~(4) The listing is made by, or produced by, or paid for,~~
22 ~~exclusively by the nonretail industry member making the response.~~

23 ~~(b) For the purposes of this section, “nonretail industry member”~~
24 ~~is defined as a manufacturer, including, but not limited to, a beer~~
25 ~~manufacturer, winegrower, or distiller of alcoholic beverages, or~~
26 ~~an agent of those entities, or a wholesaler, regardless of any other~~
27 ~~licenses held directly or indirectly by that person.~~

28 ~~SECTION 1. Section 24045 of the Business and Professions~~
29 ~~Code is amended to read:~~

30 ~~24045. (a) All licenses, except on-sale general licenses for~~
31 ~~seasonal businesses and daily on-sale general licenses issued~~
32 ~~pursuant to Section 24045.1, shall be issued on an annual basis.~~

33 ~~(b) Notwithstanding subdivision (a), a license transferred~~
34 ~~pursuant to Section 24071 or 24071.1 shall be issued for the~~
35 ~~unexpired term remaining on the license of the transferor.~~

36 ~~(c) The director may assign or reassign dates for the expiration~~
37 ~~of licenses issued pursuant to this section. The director may~~
38 ~~establish a registration year for any license issued pursuant to~~
39 ~~subdivision (a) consisting of any period from six months to 18~~
40 ~~months, inclusive, and shall prorate related annual fees to the extent~~

1 the registration year is greater or less than 12 months, with
2 subsequent renewals being required at yearly intervals.

3 ~~SEC. 2. Section 24045.1 of the Business and Professions Code~~
4 ~~is amended to read:~~

5 ~~24045.1. (a) The department, in its discretion, may issue on a~~
6 ~~temporary basis a daily on-sale general license and the fee for the~~
7 ~~license shall be twenty-five dollars (\$25) per day. The license~~
8 ~~authorizes the sale of distilled spirits, wine, and beer for~~
9 ~~consumption on the premises where sold, and off-sale privileges~~
10 ~~shall not be exercised under the license. A daily on-sale general~~
11 ~~license may only be issued to a political party or affiliate supporting~~
12 ~~a candidate for public office or a ballot measure, an organization~~
13 ~~formed for a specific charitable or civic purpose, a fraternal~~
14 ~~organization in existence for over five years with a regular~~
15 ~~membership, or a religious organization. Distilled spirits sold under~~
16 ~~a daily on-sale general license shall have been purchased at retail~~
17 ~~from the holder of an off-sale general license.~~

18 ~~(b) (1) The department may issue a special license for the sale~~
19 ~~of beer or wine on a temporary basis for premises temporarily~~
20 ~~occupied by a licensee for a picnic, social gathering, or similar~~
21 ~~occasion at a fee equal to the actual cost of issuing the license, but~~
22 ~~not to exceed twenty-five dollars (\$25) per day.~~

23 ~~(2) (A) In addition to the hours and days specified in Section~~
24 ~~25633, a beer wholesaler may deliver beer between the hours of~~
25 ~~6 a.m. and 2 p.m. on Sunday to a licensee who has obtained a~~
26 ~~license pursuant to this section.~~

27 ~~(B) In addition to the hours and days specified in Section 25633,~~
28 ~~a beer manufacturer that self-distributes may deliver beer that is~~
29 ~~produced pursuant to Section 23357 between the hours of 6 a.m.~~
30 ~~and 2 p.m. on Sunday to a licensee who has obtained a license~~
31 ~~pursuant to this section.~~

32 ~~(c) The department may adopt such rules as it determines to be~~
33 ~~necessary to implement and administer the provisions of this~~
34 ~~section, including, but not limited to, limitations on the number~~
35 ~~of times during any calendar year a qualified organization may be~~
36 ~~issued a license provided for by this section.~~

37 ~~(d) The provisions of Article 2 (commencing with Section~~
38 ~~23815) of Chapter 5 and Article 2 (commencing with Section~~
39 ~~23985) of Chapter 6 of this division shall not be applicable to the~~
40 ~~licenses provided for by this section.~~

1 ~~SEC. 3. Section 25633 of the Business and Professions Code~~
2 ~~is amended to read:~~
3 ~~25633. Except as otherwise provided in this section and~~
4 ~~paragraph (2) of subdivision (b) of Section 24045.1, a person~~
5 ~~licensed as a manufacturer, winegrower, distilled spirits~~
6 ~~manufacturer's agent, rectifier, or wholesaler of any alcoholic~~
7 ~~beverage shall not deliver or cause to be delivered any alcoholic~~
8 ~~beverage to or for any person holding an on-sale or off-sale license~~
9 ~~on Sunday or except between the hours of 3 a.m. and 8 p.m. of~~
10 ~~any day other than Sunday. Any alcoholic beverage may be~~
11 ~~delivered at the platform of the manufacturing, producing, or~~
12 ~~distributing plant at any time. Nothing contained in this section~~
13 ~~prohibits the transportation or the carriage and delivery in transit~~
14 ~~at any time of any alcoholic beverage between the premises of a~~
15 ~~manufacturer, winegrower, wholesaler, distiller, importer, or any~~
16 ~~of them. Every person violating the provisions of this section is~~
17 ~~guilty of a misdemeanor.~~