

AMENDED IN ASSEMBLY AUGUST 27, 2015

AMENDED IN SENATE MAY 11, 2015

AMENDED IN SENATE APRIL 8, 2015

SENATE BILL

No. 462

Introduced by Senator Wolk

(Principal coauthor: Assembly Member Dodd)

(Coauthor: Senator McGuire)

(Coauthors: Assembly Members Levine and Wood)

February 25, 2015

An act to amend Section 25503.6 of, and to add Section 25503.34 to, the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 462, as amended, Wolk. Alcoholic beverages: tied house restrictions: Sonoma County.

(1) The Alcoholic Beverage Control Act generally prohibits a manufacturer, winegrower, distiller, bottler, or wholesaler, among other licensees, or agents of these licensees, from paying a retailer for advertising. The act creates a variety of exceptions from this prohibition, including permitting specified licensees to purchase advertising space and time from, or on behalf of, an on-sale retail licensee that is an owner, manager, or major tenant of certain stadiums, parks, entertainment complexes, and arenas, subject to specified conditions. Existing law requires the purchase of advertising space or time in this context to be conducted pursuant to a written contract with the on-sale licensee, with a specified exception. Existing law defines a beer manufacturer for these specific purposes as including any holder of an out-of-state beer

manufacturer's certificate or any holder of a beer and wine importer's general license. Existing law makes it a crime for an on-sale licensee to coerce certain licensees to purchase advertising space or time, as specified.

This bill would expand the exceptions described above to allow beer manufacturers, winegrowers, distilled spirits rectifiers, distilled spirits manufacturers, or distilled spirits manufacturer's agents to purchase advertising space and time from, or on behalf of, on-sale retail licensees, as described above, at a specified complex located on the campus of, and owned by, Sonoma State University. The bill would permit the contract for purchasing space or time in this context to also be with an owner, long-term tenant of the venue, or licensee of the venue. By expanding the definition of a crime, this bill would impose a state-mandated local program.

(2) Existing law permits specified alcoholic beverage licensees to donate money and sponsor events at certain sites and facilities.

This bill would permit a holder of a winegrower's license, a beer manufacturer, as defined, a distilled spirits rectifier, a distilled spirits manufacturer, or distilled spirits manufacturer's agent to donate wine, beer, or spirits, and make monetary contributions to a specified complex located on the campus of, and owned by, Sonoma State University, if certain conditions are met.

(3) This bill would incorporate changes to Section 25503.6 of the Business and Professions Code proposed by both this bill and SB 557, which would become operative only if both bills are enacted and become effective on or before January 1, 2016, and this bill is chaptered last.

(3)

(4) 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.

(4)

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Section 25503.6 of the Business and Professions
2 Code is amended to read:

3 25503.6. (a) Notwithstanding any other provision of this
4 chapter, a beer manufacturer, the holder of a winegrower's license,
5 a distilled spirits rectifier, a distilled spirits manufacturer, or
6 distilled spirits manufacturer's agent may purchase advertising
7 space and time from, or on behalf of, an on-sale retail licensee
8 subject to all of the following conditions:

9 (1) The on-sale licensee is the owner, manager, agent of the
10 owner, assignee of the owner's advertising rights, or the major
11 tenant of the owner of any of the following:

12 (A) An outdoor stadium or a fully enclosed arena with a fixed
13 seating capacity in excess of 10,000 seats located in Sacramento
14 County or Alameda County.

15 (B) A fully enclosed arena with a fixed seating capacity in
16 excess of 18,000 seats located in Orange County or Los Angeles
17 County.

18 (C) An outdoor stadium or fully enclosed arena with a fixed
19 seating capacity in excess of 8,500 seats located in Kern County.

20 (D) An exposition park of not less than 50 acres that includes
21 an outdoor stadium with a fixed seating capacity in excess of 8,000
22 seats and a fully enclosed arena with an attendance capacity in
23 excess of 4,500 people, located in San Bernardino County.

24 (E) An outdoor stadium with a fixed seating capacity in excess
25 of 10,000 seats located in Yolo County.

26 (F) An outdoor stadium and a fully enclosed arena with fixed
27 seating capacities in excess of 10,000 seats located in Fresno
28 County.

29 (G) An athletic and entertainment complex of not less than 50
30 acres that includes within its boundaries an outdoor stadium with
31 a fixed seating capacity of at least 8,000 seats and a second outdoor
32 stadium with a fixed seating capacity of at least 3,500 seats located
33 within Riverside County.

34 (H) An outdoor stadium with a fixed seating capacity in excess
35 of 1,500 seats located in Tulare County.

36 (I) A motorsports entertainment complex of not less than 50
37 acres that includes within its boundaries an outdoor speedway with

1 a fixed seating capacity of at least 50,000 seats, located within San
2 Bernardino County.

3 (J) An exposition park, owned or operated by a bona fide
4 nonprofit organization, of not less than 400 acres with facilities
5 including a grandstand with a seating capacity of at least 8,000
6 people, at least one exhibition hall greater than 100,000 square
7 feet, and at least four exhibition halls, each greater than 30,000
8 square feet, located in the City of Pomona or the City of La Verne
9 in Los Angeles County.

10 (K) An outdoor soccer stadium with a fixed seating capacity of
11 at least 25,000 seats, an outdoor tennis stadium with a fixed
12 capacity of at least 7,000 seats, an outdoor track and field facility
13 with a fixed seating capacity of at least 7,000 seats, and an indoor
14 velodrome with a fixed seating capacity of at least 2,000 seats, all
15 located within a sports and athletic complex built before January
16 1, 2005, within the City of Carson in Los Angeles County.

17 (L) An outdoor professional sports facility with a fixed seating
18 capacity of at least 4,200 seats located within San Joaquin County.

19 (M) A fully enclosed arena with a fixed seating capacity in
20 excess of 13,000 seats in the City of Inglewood.

21 (N) (i) An outdoor stadium with a fixed seating capacity of at
22 least 68,000 seats located in the City of Santa Clara.

23 (ii) A beer manufacturer, the holder of a winegrower's license,
24 a distilled spirits rectifier, a distilled spirits manufacturer, or
25 distilled spirits manufacturer's agent may purchase advertising
26 space and time from, or on behalf of, a major tenant of an outdoor
27 stadium described in clause (i), provided the major tenant does not
28 hold a retail license, and the advertising may include the placement
29 of advertising in an on-sale licensed premises operated at the
30 outdoor stadium.

31 (O) A complex of not more than 50 acres located on the campus
32 of, and owned by, Sonoma State University dedicated to presenting
33 live artistic, musical, sports, food, beverage, culinary, lifestyle, or
34 other cultural and entertainment events and performances with
35 venues that include a concert hall with a seating capacity of
36 approximately 1,500 seats, a second concert hall with a seating
37 capacity of up to 300 seats, an outdoor area with a seating capacity
38 of up to 5,000 seats, and a further outdoor area with a seating
39 capacity of up to 10,000 seats. With respect to this complex,
40 advertising space and time may also be purchased from or on behalf

1 of the owner of the complex, a long-term tenant or licensee of the
2 venue, whether or not the owner, long-term tenant, or licensee
3 holds an on-sale license.

4 (2) The outdoor stadium or fully enclosed arena described in
5 paragraph (1) is not owned by a community college district.

6 (3) The advertising space or time is purchased only in connection
7 with the events to be held on the premises of the exposition park,
8 stadium, or arena owned by the on-sale licensee. With respect to
9 an exposition park as described in subparagraph (J) of paragraph
10 (1) that includes at least one hotel, the advertising space or time
11 shall not be displayed on or in any hotel located in the exposition
12 park, or purchased in connection with the operation of any hotel
13 located in the exposition park. With respect to the complex
14 described in subparagraph (O) of paragraph (1), the advertising
15 space or time shall be purchased only in connection with live
16 artistic, musical, sports, food, beverage, culinary, lifestyle, or other
17 cultural and entertainment events and performances to be held on
18 the premises of the complex.

19 (4) The on-sale licensee serves other brands of beer distributed
20 by a competing beer wholesaler in addition to the brand
21 manufactured or marketed by the beer manufacturer, other brands
22 of wine distributed by a competing wine wholesaler in addition to
23 the brand produced by the winegrower, and other brands of distilled
24 spirits distributed by a competing distilled spirits wholesaler in
25 addition to the brand manufactured or marketed by the distilled
26 spirits rectifier, the distilled spirits manufacturer, or the distilled
27 spirits manufacturer's agent that purchased the advertising space
28 or time.

29 (b) Any purchase of advertising space or time pursuant to
30 subdivision (a) shall be conducted pursuant to a written contract
31 entered into by the beer manufacturer, the holder of the
32 winegrower's license, the distilled spirits rectifier, the distilled
33 spirits manufacturer, or the distilled spirits manufacturer's agent
34 and any of the following:

35 (1) The on-sale licensee.

36 (2) With respect to clause (ii) of subparagraph (N) of paragraph
37 (1) of subdivision (a), the major tenant of the outdoor stadium.

38 (3) With respect to subparagraph (O) of paragraph (1) of
39 subdivision (a), the owner, a long-term tenant of the complex, or

1 licensee of the complex, whether or not the owner, long-term
2 tenant, or licensee holds an on-sale license.

3 (c) Any beer manufacturer or holder of a winegrower’s license,
4 any distilled spirits rectifier, any distilled spirits manufacturer, or
5 any distilled spirits manufacturer’s agent who, through coercion
6 or other illegal means, induces, directly or indirectly, a holder of
7 a wholesaler’s license to fulfill all or part of those contractual
8 obligations entered into pursuant to subdivision (a) or (b) shall be
9 guilty of a misdemeanor and shall be punished by imprisonment
10 in the county jail not exceeding six months, or by a fine in an
11 amount equal to the entire value of the advertising space, time, or
12 costs involved in the contract, whichever is greater, plus ten
13 thousand dollars (\$10,000), or by both imprisonment and fine. The
14 person shall also be subject to license revocation pursuant to
15 Section 24200.

16 (d) Any on-sale retail licensee, as described in subdivision (a),
17 who, directly or indirectly, solicits or coerces a holder of a
18 wholesaler’s license to solicit a beer manufacturer, a holder of a
19 winegrower’s license, a distilled spirits rectifier, a distilled spirits
20 manufacturer, or a distilled spirits manufacturer’s agent to purchase
21 advertising space or time pursuant to subdivision (a) or (b) shall
22 be guilty of a misdemeanor and shall be punished by imprisonment
23 in the county jail not exceeding six months, or by a fine in an
24 amount equal to the entire value of the advertising space or time
25 involved in the contract, whichever is greater, plus ten thousand
26 dollars (\$10,000), or by both imprisonment and fine. The person
27 shall also be subject to license revocation pursuant to Section
28 24200.

29 (e) For the purposes of this section, “beer manufacturer” includes
30 any holder of a beer manufacturer’s license, any holder of an
31 out-of-state beer manufacturer’s certificate, or any holder of a beer
32 and wine importer’s general license.

33 (f) The Legislature finds that it is necessary and proper to require
34 a separation among manufacturing interests, wholesale interests,
35 and retail interests in the production and distribution of alcoholic
36 beverages in order to prevent suppliers from dominating local
37 markets through vertical integration and to prevent excessive sales
38 of alcoholic beverages produced by overly aggressive marketing
39 techniques. The Legislature further finds that the exceptions
40 established by this section to the general prohibition against tied

1 interests shall be limited to their express terms so as not to
2 undermine the general prohibition and intends that this section be
3 construed accordingly.

4 *SEC. 1.5. Section 25503.6 of the Business and Professions*
5 *Code is amended to read:*

6 25503.6. (a) Notwithstanding any other provision of this
7 chapter, a beer manufacturer, the holder of a winegrower's license,
8 a distilled spirits rectifier, a distilled spirits manufacturer, or
9 distilled spirits manufacturer's agent may purchase advertising
10 space and time from, or on behalf of, an on-sale retail licensee
11 subject to all of the following conditions:

12 (1) The on-sale licensee is the owner, manager, agent of the
13 owner, assignee of the owner's advertising rights, or the major
14 tenant of the owner of any of the following:

15 (A) An outdoor stadium or a fully enclosed arena with a fixed
16 seating capacity in excess of 10,000 seats located in Sacramento
17 County or Alameda County.

18 (B) A fully enclosed arena with a fixed seating capacity in
19 excess of 18,000 seats located in Orange County or Los Angeles
20 County.

21 (C) An outdoor stadium or fully enclosed arena with a fixed
22 seating capacity in excess of 8,500 seats located in Kern County.

23 (D) An exposition park of not less than 50 acres that includes
24 an outdoor stadium with a fixed seating capacity in excess of 8,000
25 seats and a fully enclosed arena with an attendance capacity in
26 excess of 4,500 people, located in San Bernardino County.

27 (E) An outdoor stadium with a fixed seating capacity in excess
28 of 10,000 seats located in Yolo County.

29 (F) An outdoor stadium and a fully enclosed arena with fixed
30 seating capacities in excess of 10,000 seats located in Fresno
31 County.

32 (G) An athletic and entertainment complex of not less than 50
33 acres that includes within its boundaries an outdoor stadium with
34 a fixed seating capacity of at least 8,000 seats and a second outdoor
35 stadium with a fixed seating capacity of at least 3,500 seats located
36 ~~within~~ in Riverside County.

37 (H) An outdoor stadium with a fixed seating capacity in excess
38 of 1,500 seats located in Tulare County.

39 (I) A motorsports entertainment complex of not less than 50
40 acres that includes within its boundaries an outdoor speedway with

1 a fixed seating capacity of at least 50,000 seats, located ~~within~~ *in*
2 San Bernardino County.

3 (J) An exposition park, owned or operated by a bona fide
4 nonprofit organization, of not less than 400 acres with facilities
5 including a grandstand with a seating capacity of at least 8,000
6 people, at least one exhibition hall greater than 100,000 square
7 feet, and at least four exhibition halls, each greater than 30,000
8 square feet, located in the City of Pomona or the City of La Verne
9 in Los Angeles County.

10 (K) An outdoor soccer stadium with a fixed seating capacity of
11 at least 25,000 seats, an outdoor tennis stadium with a fixed
12 capacity of at least 7,000 seats, an outdoor track and field facility
13 with a fixed seating capacity of at least 7,000 seats, and an indoor
14 velodrome with a fixed seating capacity of at least 2,000 seats, all
15 located within a sports and athletic complex built before January
16 1, 2005, ~~within~~ *in* the City of Carson in Los Angeles County.

17 (L) An outdoor professional sports facility with a fixed seating
18 capacity of at least 4,200 seats located ~~within~~ *in* San Joaquin
19 County.

20 (M) A fully enclosed arena with a fixed seating capacity in
21 excess of 13,000 seats in the City of Inglewood.

22 (N) (i) An outdoor stadium with a fixed seating capacity of at
23 least 68,000 seats located in the City of Santa Clara.

24 (ii) A beer manufacturer, the holder of a winegrower's license,
25 a distilled spirits rectifier, a distilled spirits manufacturer, or
26 distilled spirits manufacturer's agent may purchase advertising
27 space and time from, or on behalf of, a major tenant of an outdoor
28 stadium described in clause (i), provided the major tenant does not
29 hold a retail license, and the advertising may include the placement
30 of advertising in an on-sale licensed premises operated at the
31 outdoor stadium.

32 (O) *A complex of not more than 50 acres located on the campus*
33 *of, and owned by, Sonoma State University dedicated to presenting*
34 *live artistic, musical, sports, food, beverage, culinary, lifestyle, or*
35 *other cultural and entertainment events and performances with*
36 *venues that include a concert hall with a seating capacity of*
37 *approximately 1,500 seats, a second concert hall with a seating*
38 *capacity of up to 300 seats, an outdoor area with a seating capacity*
39 *of up to 5,000 seats, and a further outdoor area with a seating*
40 *capacity of up to 10,000 seats. With respect to this complex,*

1 *advertising space and time may also be purchased from or on*
2 *behalf of the owner of the complex, a long-term tenant or licensee*
3 *of the venue, whether or not the owner, long-term tenant, or*
4 *licensee holds an on-sale license.*

5 *(P) A fairgrounds with a horse racetrack and equestrian and*
6 *sports facilities located in San Diego County.*

7 (2) The outdoor stadium or fully enclosed arena described in
8 paragraph (1) is not owned by a community college district.

9 (3) The advertising space or time is purchased only in connection
10 with the events to be held on the premises of the exposition park,
11 stadium, or arena owned by the on-sale licensee. With respect to
12 an exposition park as described in subparagraph (J) of paragraph
13 (1) that includes at least one hotel, the advertising space or time
14 shall not be displayed on or in any hotel located in the exposition
15 park, or purchased in connection with the operation of any hotel
16 located in the exposition park. *With respect to the complex*
17 *described in subparagraph (O) of paragraph (1), the advertising*
18 *space or time shall be purchased only in connection with live*
19 *artistic, musical, sports, food, beverage, culinary, lifestyle, or other*
20 *cultural and entertainment events and performances to be held on*
21 *the premises of the complex.*

22 (4) The on-sale licensee serves other brands of beer distributed
23 by a competing beer wholesaler in addition to the brand
24 manufactured or marketed by the beer manufacturer, other brands
25 of wine distributed by a competing wine wholesaler in addition to
26 the brand produced by the winegrower, and other brands of distilled
27 spirits distributed by a competing distilled spirits wholesaler in
28 addition to the brand manufactured or marketed by the distilled
29 spirits rectifier, the distilled spirits ~~manufacturer~~ *manufacturer*, or
30 the distilled spirits manufacturer's agent that purchased the
31 advertising space or time.

32 (b) Any purchase of advertising space or time pursuant to
33 subdivision (a) shall be conducted pursuant to a written contract
34 entered into by the beer manufacturer, the holder of the
35 winegrower's license, the distilled spirits rectifier, the distilled
36 spirits manufacturer, or the distilled spirits manufacturer's agent
37 ~~and the on-sale licensee, or with respect to clause (ii) of~~
38 ~~subparagraph (N) of paragraph (1) of subdivision (a), the major~~
39 ~~tenant of the outdoor stadium.~~ *any of the following:*

40 (1) *The on-sale licensee.*

1 (2) *With respect to clause (ii) of subparagraph (N) of paragraph*
2 *(1) of subdivision (a), the major tenant of the outdoor stadium.*

3 (3) *With respect to subparagraph (O) of paragraph (1) of*
4 *subdivision (a), the owner, a long-term tenant of the complex, or*
5 *licensee of the complex, whether or not the owner, long-term*
6 *tenant, or licensee holds an on-sale license.*

7 (c) Any beer manufacturer or holder of a winegrower's license,
8 any distilled spirits rectifier, any distilled spirits manufacturer, or
9 any distilled spirits manufacturer's agent who, through coercion
10 or other illegal means, induces, directly or indirectly, a holder of
11 a wholesaler's license to fulfill all or part of those contractual
12 obligations entered into pursuant to subdivision (a) or (b) shall be
13 guilty of a misdemeanor and shall be punished by imprisonment
14 in the county jail not exceeding six months, or by a fine in an
15 amount equal to the entire value of the advertising space, time, or
16 costs involved in the contract, whichever is greater, plus ten
17 thousand dollars (\$10,000), or by both imprisonment and fine. The
18 person shall also be subject to license revocation pursuant to
19 Section 24200.

20 (d) Any on-sale retail licensee, as described in subdivision (a),
21 who, directly or indirectly, solicits or coerces a holder of a
22 wholesaler's license to solicit a beer manufacturer, a holder of a
23 winegrower's license, a distilled spirits rectifier, a distilled spirits
24 manufacturer, or a distilled spirits manufacturer's agent to purchase
25 advertising space or time pursuant to subdivision (a) or (b) shall
26 be guilty of a misdemeanor and shall be punished by imprisonment
27 in the county jail not exceeding six months, or by a fine in an
28 amount equal to the entire value of the advertising space or time
29 involved in the contract, whichever is greater, plus ten thousand
30 dollars (\$10,000), or by both imprisonment and fine. The person
31 shall also be subject to license revocation pursuant to Section
32 24200.

33 (e) For the purposes of this section, "beer manufacturer" includes
34 any holder of a beer manufacturer's license, any holder of an
35 out-of-state beer manufacturer's certificate, or any holder of a beer
36 and wine importer's general license.

37 (f) *The Legislature finds that it is necessary and proper to*
38 *require a separation among manufacturing interests, wholesale*
39 *interests, and retail interests in the production and distribution of*
40 *alcoholic beverages in order to prevent suppliers from dominating*

1 *local markets through vertical integration and to prevent excessive*
2 *sales of alcoholic beverages produced by overly aggressive*
3 *marketing techniques. The Legislature further finds that the*
4 *exceptions established by this section to the general prohibition*
5 *against tied interests shall be limited to their express terms so as*
6 *not to undermine the general prohibition and intends that this*
7 *section be construed accordingly.*

8 SEC. 2. Section 25503.34 is added to the Business and
9 Professions Code, to read:

10 25503.34. (a) A holder of a winegrower's license, a beer
11 manufacturer as defined in subdivision (d), a distilled spirits
12 rectifier, a distilled spirits manufacturer, or distilled spirits
13 manufacturer's agent may donate wine, beer, or spirits, and make
14 monetary contributions to a complex dedicated to the presentation
15 of live artistic, musical, sports, food, beverage, culinary, lifestyle,
16 or other cultural entertainment events or performances, if all of
17 the following conditions are met:

18 (1) The permanent retail on-sale licensee in the complex is a
19 nonprofit charitable corporation or association exempt from
20 payment of income taxes under the provisions of the Internal
21 Revenue Code and Chapter 4 (commencing with Section 23701)
22 of Part 11 of Division 2 of the Revenue and Taxation Code.

23 (2) The complex is of not more than 50 acres located on the
24 campus of, and owned by, Sonoma State University dedicated to
25 presenting live artistic, musical, sports, food, beverage, culinary,
26 lifestyle, or other cultural and entertainment events and
27 performances with venues that include a concert hall with a seating
28 capacity of approximately 1,500 seats, a second concert hall with
29 a seating capacity of up to 300 seats, an outdoor area with a seating
30 capacity of up to 5,000 seats, and a further outdoor area with a
31 seating capacity of up to 10,000 seats.

32 (3) The complex has a permanent retail on-sale license that is
33 a long-term tenant of the complex.

34 (4) The donation or monetary contribution shall not be
35 conditioned directly or indirectly, in any way, on the purchase,
36 sale, or distribution of any alcoholic beverage manufactured or
37 distributed by the holder of a winegrower's license, the beer
38 manufacturer, the distilled spirits rectifier, the distilled spirits
39 manufacturer, or the distilled spirits manufacturer's agent by the
40 licensee of the complex.

1 (5) The permanent retail on-sale licensee in the complex shall:

2 (A) Serve other brands of beer distributed by a competing beer
3 wholesaler in addition to the brand manufactured or marketed by
4 a contributing beer manufacturer.

5 (B) Serve other brands of wine distributed by a competing wine
6 wholesaler in addition to the brand produced or distributed by a
7 contributing winegrower.

8 (C) Serve other brands of distilled spirits distributed by a
9 competing distilled spirits wholesaler in addition to the brand
10 manufactured or marketed by the contributing distilled spirits
11 manufacturer or distilled spirits manufacturer's agent.

12 (6) Except as provided in paragraph (7), donated wine, beer, or
13 spirits shall not be used or sold by the permanent retail licensee
14 and a monetary contribution shall not be used in, or for the benefit
15 of, the permanent retail on-sale licensee.

16 (7) Donated wine, beer, or spirits may only be used or sold in
17 connection with fundraising activities held on or off the permanent
18 licensed premises. Fundraising activities held in any area included
19 in the licensed premises during which donated wine, beer, or spirits
20 is used or sold shall not take place at the complex while the
21 permanent retail licensee is exercising its license privileges and
22 shall only be conducted pursuant to a temporary license issued by
23 the department, provided however, that the permanent licensee
24 shall surrender its license during the fundraising only for those
25 areas of the complex where the fundraising activities are being
26 presented and may continue to operate under its permanent license
27 in other areas covered by the license where the fundraising is not
28 taking place.

29 (b) The complex may acknowledge and thank a donating
30 winegrower, beer manufacturer as defined in subdivision (d),
31 distilled spirits rectifier, distilled spirits manufacturer, or distilled
32 spirits manufacturer's agent in the complex's event programs, on
33 the complex's Internet Web site, and on stage at the permanent
34 licensed premises during an event or performance.

35 (c) The Legislature finds that it is necessary and proper to
36 require a separation among manufacturing interests, wholesale
37 interests, and retail interests in the production and distribution of
38 alcoholic beverages in order to prevent suppliers from dominating
39 local markets through vertical integration and to prevent excessive
40 sales of alcoholic beverages produced by overly aggressive

1 marketing techniques. The Legislature further finds that the
2 exceptions established by this section to the general prohibition
3 against tied interests shall be limited to their express terms so as
4 not to undermine the general prohibition and intends that this
5 section be construed accordingly.

6 (d) For the purposes of this section, “beer manufacturer”
7 includes any holder of a beer manufacturer’s license, any holder
8 of an out-of-state beer manufacturer’s certificate, or any holder of
9 a beer and wine importer’s general license.

10 *SEC. 3. Section 1.5 of this bill incorporates amendments to*
11 *Section 25503.6 of the Business and Professions Code proposed*
12 *by both this bill and Senate Bill 557. It shall only become operative*
13 *if (1) both bills are enacted and become effective on or before*
14 *January 1, 2016, but this bill becomes operative first, (2) each bill*
15 *amends Section 25503.6 of the Business and Professions Code,*
16 *and (3) this bill is enacted after Senate Bill 557, in which case*
17 *Section 25503.6 of the Business and Professions Code, as amended*
18 *by Section 1 of this bill, shall remain operative only until the*
19 *operative date of Senate Bill 557, at which time Section 1.5 of this*
20 *bill shall become operative.*

21 ~~SEC. 3.~~

22 *SEC. 4.* No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the penalty
27 for a crime or infraction, within the meaning of Section 17556 of
28 the Government Code, or changes the definition of a crime within
29 the meaning of Section 6 of Article XIII B of the California
30 Constitution.

31 ~~SEC. 4.~~

32 *SEC. 5.* This act is an urgency statute necessary for the
33 immediate preservation of the public peace, health, or safety within
34 the meaning of Article IV of the Constitution and shall go into
35 immediate effect. The facts constituting the necessity are:

36 In order to allow the Green Music Center to continue to provide
37 performing arts and to authorize the receipt of donations to

- 1 facilitate that provision, it is necessary that this act take effect
- 2 immediately.

O