

Introduced by Senator GalgianiFebruary 12, 2016

An act to amend Section 25600.3 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1032, as introduced, Galgiani. Alcoholic beverages: coupons.

Existing law, the Alcoholic Beverage Control Act, prohibits a beer manufacturer or a beer wholesaler from offering, funding, producing, sponsoring, promoting, furnishing, or redeeming any type of coupon and a licensee authorized to sell alcoholic beverages at retail from accepting, redeeming, possessing, or utilizing any type of coupon that is funded, produced, sponsored, promoted, or furnished by a beer manufacturer or beer wholesaler. Existing law makes a violation of any of its provisions, for which another penalty or punishment is not specifically provided, a misdemeanor.

This bill would expand this provision to prohibit a nonretail licensee, as defined, from offering, funding, producing, sponsoring, promoting, furnishing, or redeeming any type of coupon and licensee authorized to sell alcoholic beverages at retail from accepting, redeeming, possessing, or utilizing any type of coupon that is funded, produced, sponsored, promoted, or furnished by a nonretail licensee. The bill would revise the definition of "coupon" for these purposes. By imposing additional duties on a licensee under the act, and, thereby, expanding the definition of an existing crime, the bill would impose a state-mandated local program.

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. 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 25600.3 of the Business and Professions
 2 Code is amended to read:
 3 25600.3. (a) ~~A beer manufacturer or a beer wholesaler~~
 4 *nonretail licensee* shall not offer, fund, produce, sponsor, promote,
 5 furnish, or redeem any type of coupon.
 6 (b) A licensee authorized to sell alcoholic beverages at retail
 7 shall not accept, redeem, possess, or utilize any type of coupon
 8 that is funded, produced, sponsored, promoted, or furnished by a
 9 ~~beer manufacturer or beer wholesaler.~~ *nonretail licensee.*
 10 (c) For purposes of this section:
 11 (1) ~~“Beer manufacturer”~~ “*Nonretail licensee*” means a
 12 *manufacturer, winegrower, wine blender, manufacturer’s agent,*
 13 *rectifier, bottler, broker, importer, wholesaler, or holder of a an*
 14 *out-of-state beer manufacturer’s license, a holder of an out-of-state*
 15 *beer manufacturer’s certificate, a holder of a beer and wine*
 16 *importer’s general license when selling beer, malt beverages, cider,*
 17 *or perry, or a winegrower that is a wholly owned subsidiary of a*
 18 *beer manufacturer. certificate, or any beer manufacturer or*
 19 *winegrower located without the state, or any officer, director,*
 20 *agent, or affiliate of such person.*
 21 (2) ~~“Beer wholesaler”~~ means a holder of a beer and wine
 22 ~~wholesaler license when selling beer, malt beverages, cider, or~~
 23 ~~perry.~~
 24 (3)
 25 (2) “Cider” has the same meaning set forth in Section 4.21(e)(5)
 26 of the Code of Federal Regulations.
 27 (3) “Perry” has the same meaning set forth in Section 4.21(e)(5)
 28 of the Code of Federal Regulations.
 29 (4) “Coupon” means any method by which a consumer receives
 30 an instant discount at the time of a purchase *of any item if an*
 31 *alcoholic beverage purchase is required in connection with such*
 32 *purchase* that is funded, produced, sponsored, promoted, or
 33 furnished, either directly or indirectly, by a ~~beer manufacturer or~~

1 ~~beer and wine wholesaler, nonretail licensee~~, including, but not
2 limited to, a paper coupon, a digital coupon, an instant redeemable
3 coupon (IRC), or an electronic coupon commonly referred to as a
4 scan or scanback. “Coupon” does not include:

5 (A) A mail-in rebate by which the consumer purchases an item
6 and submits required information in order to receive a rebate or
7 discount from the ~~beer manufacturer, nonretail licensee~~.

8 (B) A ~~coupon discount~~ that is offered and funded by a distilled
9 spirits manufacturer, *distilled manufacturer’s agent*, *brandy*
10 *manufacturer*, distilled spirits importer general, distilled spirits
11 importer, ~~or rectifier, brandy wholesaler~~, distilled spirits ~~wholesaler~~
12 ~~wholesaler, or a holder of a craft distiller’s license, regardless of~~
13 ~~other licenses held~~, that offers a discount on the purchase of a
14 distilled spirits product if beer, malt beverages, ~~cider, or perry or~~
15 ~~wine products~~ are not advertised in connection with the coupon.

16 (C) ~~A coupon offered and funded by a winegrower, a wine~~
17 ~~rectifier, a wine blender, a beer and wine wholesaler, a beer and~~
18 ~~wine importer, a wine importer general, or a wine broker that offers~~
19 ~~a discount on the purchase of a wine product if beer, malt~~
20 ~~beverages, cider, or perry are not advertised in connection with~~
21 ~~the coupon.~~

22 (D)

23 (C) A discount that is offered and funded by a beer manufacturer
24 on the purchase of beer, malt beverages, cider, or perry at the
25 licensed premises of production or other licensed premises owned
26 and operated by the beer manufacturer.

27 (D) A discount that is offered and funded by a winegrower on
28 the purchase of wine at the licensed premises of production or
29 other licensed premises owned and operated by the winegrower.

30 (E) A discount offered and funded by a beer and wine
31 wholesaler, a beer and wine importer, a wine importer general,
32 or a wine broker that offers a discount on the purchase of a
33 nonalcoholic beverage item if beer, malt beverages, or wine
34 products are not advertised in connection with the discount.

35 (F) A discount, refund, or rebate funded, produced, sponsored,
36 promoted, and furnished exclusively by a licensee authorized to
37 sell alcoholic beverages at retail.

38 (5) ~~“Perry” has the same meaning set forth in Section 4.21(e)(5)~~
39 ~~of the Code of Federal Regulations.~~

1 ~~(6) “Wine wholesaler” means a holder of a beer and wine~~
2 ~~wholesaler license when selling wine.~~

3 SEC. 2. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.