

AMENDED IN SENATE APRIL 5, 2016

SENATE BILL

No. 1032

Introduced by Senator Galgiani

February 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 amended, 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 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 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 nonretail licensee shall not offer, fund, produce,
 4 sponsor, promote, furnish, or redeem any type of coupon.
 5 (b) A licensee authorized to sell alcoholic beverages at retail
 6 shall not accept, redeem, possess, or utilize any type of coupon
 7 that is funded, produced, sponsored, promoted, or furnished by a
 8 nonretail licensee.
 9 (c) For purposes of this section:
 10 (1) “Nonretail licensee” means a manufacturer, winegrower,
 11 wine blender, manufacturer’s agent, rectifier, bottler, broker,
 12 importer, wholesaler, or holder of an out-of-state beer
 13 manufacturer’s certificate, or any beer manufacturer or winegrower
 14 located without the state, or any officer, director, agent, or affiliate
 15 of such ~~person~~ *person, or a beer and wine wholesaler that also*
 16 *holds an off-sale beer and wine retail license and only sells wine.*
 17 (2) “Cider” has the same meaning set forth in Section 4.21(e)(5)
 18 of the Code of Federal Regulations.
 19 (3) “Perry” has the same meaning set forth in Section 4.21(e)(5)
 20 of the Code of Federal Regulations.
 21 (4) “Coupon” means any method by which a consumer receives
 22 an instant discount at the time of a purchase of any item if an
 23 alcoholic beverage purchase is required in connection with such
 24 purchase that is funded, produced, sponsored, promoted, or
 25 furnished, either directly or indirectly, by a nonretail licensee,
 26 including, but not limited to, a paper coupon, a digital coupon, an
 27 instant redeemable coupon (IRC), or an electronic coupon
 28 commonly referred to as a scan or scanback. “Coupon” does not
 29 include:

1 (A) A mail-in rebate by which the consumer purchases an item
2 and submits required information in order to receive a rebate or
3 discount from the nonretail licensee.

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

14 (C) A discount that is offered and funded by a beer manufacturer
15 on the purchase of beer, malt beverages, cider, or perry at the
16 licensed premises of production or other licensed premises owned
17 *or leased* and operated by the beer manufacturer.

18 (D) A discount that is offered and funded by a winegrower on
19 the purchase of wine—~~at~~ *sold directly by the winegrower to a*
20 *consumer at or from* the licensed premises of production or other
21 licensed premises owned *or leased* and operated by the
22 ~~winegrower~~ *winegrower or through the Internet where a consumer*
23 *buys directly from a winegrower.*

24 (E) A discount offered and funded by a beer and wine
25 wholesaler, a beer and wine importer, a wine importer general, or
26 a wine broker that offers a discount on the purchase of a
27 nonalcoholic beverage item if beer, malt beverages, or wine
28 products are not advertised in connection with the discount.

29 (F) A discount, refund, or rebate funded, produced, sponsored,
30 promoted, and furnished exclusively by—~~a~~ *an off-sale* licensee
31 authorized to sell alcoholic beverages at retail.

32 *(d) A nonretail licensee may offer, fund, produce, sponsor,*
33 *promote, or furnish a coupon until December 31, 2016.*

34 *(e) A nonretail licensee may redeem a coupon submitted by an*
35 *off-sale licensee authorized to sell alcoholic beverages at retail*
36 *prior to March 31, 2017.*

37 SEC. 2. No reimbursement is required by this act pursuant to
38 Section 6 of Article XIII B of the California Constitution because
39 the only costs that may be incurred by a local agency or school
40 district will be incurred because this act creates a new crime or

1 infraction, eliminates a crime or infraction, or changes the penalty
2 for a crime or infraction, within the meaning of Section 17556 of
3 the Government Code, or changes the definition of a crime within
4 the meaning of Section 6 of Article XIII B of the California
5 Constitution.

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