

## Assembly Bill No. 2118

### CHAPTER 85

An act to amend Section 25501 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor June 30, 1996. Filed with  
Secretary of State July 1, 1996.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2118, Hauser. Alcoholic beverages: tied-house restrictions: brewing industry.

The Alcoholic Beverage Control Act prohibits a manufacturer, bottler, importer, or wholesaler of products of the brewing industry from furnishing, giving, renting, lending or selling, directly or indirectly, any equipment, fixtures, or supplies, other than alcoholic beverages, to any person engaged in operating, owning, or maintaining any on-sale premises, as specified.

This bill would, for purposes of that prohibition, provide that supplies do not include paper beverage coasters, as specified.

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

SECTION 1. Section 25501 of the Business and Professions Code is amended to read:

25501. No manufacturer, bottler, importer, or wholesaler of products of the brewing industry shall:

(a) Furnish, give, rent, lend, or sell, directly or indirectly, any equipment, fixtures, or supplies, other than alcoholic beverages, to any person engaged in operating, owning, or maintaining any on-sale premises where alcoholic beverages are sold for consumption on the premises. This subdivision shall not prohibit the furnishing of draft beer pumps and iceboxes to those persons who operate on a temporary basis. For the purposes of this subdivision, supplies do not include paper beverage coasters less than 25 square inches in size and having a value of less than five cents (\$.05) per coaster.

(b) Directly or indirectly, hold the ownership or any interest, by stock ownership or otherwise, in any firm, corporation, partnership, or business, furnishing, supplying, or dealing in any office, store, or restaurant furnishings or equipment, other than signs for interior use or supplies authorized to be given under this division to any person engaged in operating, owning, or maintaining any on-sale premises.

(c) Notwithstanding any provision of this section, the holder of a beer and wine wholesaler's license may manufacture, distribute, and sell any lawful product to any person engaged in operating, owning,



or maintaining any on-sale premises where alcoholic beverages are sold for consumption on the premises, provided that these products are sold by the holder of the beer and wine wholesaler's license to the on-sale licensee at a price not less than the current market price for the product.

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