

**Senate Bill No. 509**

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Passed the Senate August 12, 1997

\_\_\_\_\_  
*Secretary of the Senate*

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Passed the Assembly August 11, 1997

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_ day  
of \_\_\_\_\_, 1997, at \_\_\_\_ o'clock \_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*



## CHAPTER \_\_\_\_

An act to add Section 24045.15 to the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 509, M. Thompson. Alcoholic beverages: on-sale or off-sale wine license.

The Alcoholic Beverage Control Act provides for the issuance of on-sale and off-sale beer and wine licenses and provides for the issuance of various special or temporary licenses.

This bill would authorize the issuance of a special temporary on-sale or off-sale wine license to certain nonprofit corporations having an agricultural purpose to sell wine, donated or sold to the nonprofit corporation by the member winegrowers, to consumers for the purpose of fundraising, as specified.

This bill would limit the number of cases of wine per year that may be sold by the nonprofit corporation under the license and that may be donated or sold by individual member winegrowers to the nonprofit corporation.

This bill would preclude the issuance of this special license to a nonprofit corporation whose name includes the designation of an American viticultural area (AVA) recognized under federal law unless its membership includes a majority of winegrowers located in the AVA. This bill would also require that if the corporation's name includes a recognized AVA, the wines sold under the special license must be entitled to use the named AVA as the appellation of origin.

This bill would declare that it would take effect immediately as an urgency statute.



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

SECTION 1. Section 24045.15 is added to the Business and Professions Code, to read:

24045.15. (a) Notwithstanding any other provision of this division, the department may issue a special temporary on-sale or off-sale wine license to any nonprofit corporation having an agricultural purpose that is exempt from the payment of income taxes under Section 501(c)(5) of the Internal Revenue Code of 1986. If the nonprofit corporation's name, or any name under which the nonprofit corporation does business, includes the designation of an American viticultural area (AVA) recognized by the United States Bureau of Alcohol, Tobacco and Firearms (BATF), as set forth in Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations (27 C.F.R. 9.1 et seq.), the membership of the nonprofit corporation shall include a majority of the winegrowers located in the named AVA in order to obtain a license under this section. No more than one nonprofit corporation located in an AVA is entitled to obtain a license under this section. The applicant shall accompany the application with a fee of one hundred dollars (\$100).

(b) This special license shall only entitle the licensee to sell wine donated or sold to the nonprofit corporation by the member winegrowers to consumers for the purpose of fundraising. Off-sale privileges shall be limited to direct mail, telephone, and on-line computer. No member winegrower shall donate or sell more than 75 cases of wine per year to the nonprofit corporation and the nonprofit corporation shall sell no more than 1,000 cases of wine per year under the license. If the nonprofit corporation's name or any name under which the nonprofit corporation does business includes the designation of an American viticultural area (AVA) recognized by the United States Bureau of Alcohol, Tobacco and Firearms (BATF), as set forth in Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations (27 C.F.R. 9.1 et seq.), the wines sold



by the nonprofit corporation must be entitled to use the named AVA as the appellation of origin. The wine shall not be sold at less than its minimum retail price.

(c) This special license shall be for a period not exceeding 60 days. Only one special license authorized by this section shall be issued to any nonprofit corporation in any 12-month period.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the issuance of a special temporary on-sale or off-sale wine license for the purposes of a fundraising event to be held in the near future, it is necessary that this act take effect immediately.



Approved \_\_\_\_\_, 1997

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*Governor*

