

AMENDED IN SENATE FEBRUARY 28, 2000
AMENDED IN SENATE FEBRUARY 18, 2000
AMENDED IN SENATE FEBRUARY 9, 2000
AMENDED IN ASSEMBLY JANUARY 24, 2000
AMENDED IN ASSEMBLY MAY 24, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1525

**Introduced by Assembly Members Thomson and Wesson
and Senator Perata
(Coauthors: Assembly Members Cox, Pescetti, and
Steinberg)
(Coauthors: Senators Johannessen, Johnston, McPherson,
and Ortiz)**

February 26, 1999

An act to amend Sections 23824 and 25503.6 of, ~~and to add~~
~~Section 24045.17 to~~, the Business and Professions Code,
relating to alcoholic beverages, and declaring the urgency
thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1525, as amended, Thomson. Alcoholic beverages:
licenses: "tied-house" restrictions: advertising restrictions.

Existing law exempts premises owned by the state or
designated local agencies, or leased by those local agencies
from specified limitations on the number of licensed premises.

This bill would extend those exemptions to include premises leased by the state.

~~Existing law permits the Department of Alcoholic Beverage Control to issue special temporary off-sale licenses to various organizations for limited purposes.~~

~~This bill would permit the department to issue a special temporary off-sale beer and wine license to a nonprofit organization established in 1876 and formed to preserve Scottish heritage.~~

Existing provisions of the Alcoholic Beverage Control Act known as “tied-house” restrictions generally prohibit certain alcoholic beverage licensees from holding an interest in various other alcoholic beverage licensees. Existing law generally prohibits a manufacturer of alcoholic beverages and a winegrower from paying, crediting, or compensating a retailer for advertising or paying or giving anything of value for the privilege of placing a sign or advertisement with a retail licensee. It authorizes, as an exception, the holder of a beer manufacturer’s or winegrower’s license to purchase advertising space and time from, or on behalf of, an on-sale retail licensee, subject to specified conditions, including that the on-sale licensee is the owner, an agent of the owner, manager of the stadium or arena, assignee of the owner’s advertising rights, or the major tenant of the owner, of one of various designated facilities, including an outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in a county of the 8th class.

This bill would extend that exception to an on-sale licensee who is the owner, manager, agent of the owner, assignee of the owner’s advertising rights, or the major tenant of the owner of an outdoor stadium with a fixed seating capacity in excess of 10,000 seats located in Yolo County.

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

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



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

1 SECTION 1. Section 23824 of the Business and
2 Professions Code is amended to read:

3 23824. Limitations provided by Section 23816 on the
4 number of licensed premises shall not apply to premises
5 owned by the State of California, any incorporated city,
6 county, city and county, airport district, or other district
7 or public corporation of the State of California or to
8 premises leased to the State of California or to any city or
9 county, so long as the premises are operated as a bona fide
10 public eating place, provided, however, that civic
11 auditoriums owned by any incorporated city, county, city
12 and county, or other district or any premises leased to the
13 State of California or to any county or city for use as a civic
14 auditorium and directly operated by a public entity shall
15 be subject to the limitations provided by Section 23816,
16 but shall not be required to be operated as a bona fide
17 public eating place. The civic auditorium shall further not
18 be subject to the provisions of Section 23793.

19 Licenses issued on premises owned by the state,
20 incorporated city, county, city and county, airport
21 district, or other district or public corporation of the State
22 of California, or issued on premises leased to the State of
23 California or to any county or city, shall be renewable as
24 set forth in Section 24048. These licenses shall be excluded
25 from the number of premises used in determining
26 application of the limitations provided by this article.
27 These licenses shall be subject to an original fee of six
28 thousand dollars (\$6,000) and shall be only transferable
29 from person to person at the same premises. Prior to the
30 issuance of these licenses, the governmental agency
31 owning or leasing the premises shall file with the
32 department a written request that the license be issued
33 and a written statement setting forth the reasons why
34 issuance of the license would be in the public interest.

35 A written request filed with the department by the
36 governmental agency owning or the city or county
37 leasing premises used as a civic auditorium and directly
38 operated as a public entity that the license be issued need



1 not contain a written statement setting forth the reasons
2 why issuance of the license would be in the public
3 interest.

4 Funds derived from fees collected pursuant to the
5 amendments made to this section at the 1975–76 Regular
6 Session of the Legislature shall be deposited in the
7 General Fund.

8 ~~SEC. 2. Section 24045.17 is added to the Business and~~
9 ~~Professions Code, to read:~~

10 ~~24045.17. (a) The department may issue a special~~
11 ~~temporary off-sale beer and wine license to a nonprofit~~
12 ~~organization established in 1876 and formed to preserve~~
13 ~~Scottish heritage for the limited purpose of selling~~
14 ~~Scottish ale.~~

15 ~~(b) The fee for this license shall be one hundred dollars~~
16 ~~(\$100).~~

17 ~~(c) The license shall be issued for a period not to~~
18 ~~exceed three days in a single calendar year.~~

19 ~~(d) All money collected as fees pursuant to this section~~
20 ~~shall be deposited in the Alcohol Beverage Control Fund~~
21 ~~as provided in Section 25761.~~

22 ~~(e) The department may adopt rules as it determines~~
23 ~~necessary to implement and administer this section.~~

24 ~~SEC. 3.—~~

25 ~~SEC. 2. Section 25503.6 of the Business and~~
26 ~~Professions Code is amended to read:~~

27 ~~25503.6. (a) Notwithstanding any other provision of~~
28 ~~this chapter, the holder of a beer manufacturer's or~~
29 ~~winegrower's license may purchase advertising space and~~
30 ~~time from, or on behalf of, an on-sale retail licensee~~
31 ~~subject to all of the following conditions:~~

32 ~~(1) The on-sale licensee is the owner, manager, agent~~
33 ~~of the owner, assignee of the owner's advertising rights,~~
34 ~~or the major tenant of the owner of any of the following:~~

35 ~~(A) An outdoor stadium or a fully enclosed arena with~~
36 ~~a fixed seating capacity in excess of 10,000 seats located~~
37 ~~within a county of the eighth class, as defined in Section~~
38 ~~28029 of the Government Code.~~

39 ~~(B) A fully enclosed arena with a fixed seating capacity~~
40 ~~in excess of 18,000 seats located in Orange County.~~



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

4 (D) An exposition park of not less than 50 acres that
5 includes an outdoor stadium with a fixed seating capacity
6 in excess of 8,000 seats and a fully enclosed arena with an
7 attendance capacity in excess of 4,500 people, located
8 within a county of the fourth class, as defined in Section
9 28025 of the Government Code.

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

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

15 (3) The advertising space or time is purchased only in
16 connection with the events to be held on the premises of
17 the stadium or arena owned by the on-sale licensee.

18 (4) The on-sale licensee serves other brands of beer or
19 wine in addition to the brand manufactured by the beer
20 manufacturer or produced by the winegrower
21 purchasing the advertising space or time.

22 (b) Any purchase of advertising space or time
23 pursuant to subdivision (a) shall be conducted pursuant
24 to a written contract entered into by the holder of the
25 beer manufacturer's or winegrower's license and the
26 on-sale licensee.

27 (c) Any holder of a beer manufacturer's or
28 winegrower's license who, through coercion or other
29 illegal means, induces a holder of a beer or wine
30 wholesaler's license to fulfill those contractual obligations
31 entered into pursuant to subdivision (a) or (b) shall be
32 guilty of a misdemeanor and shall be punished by
33 imprisonment in the county jail not exceeding six months,
34 or by a fine in an amount equal to the entire value of the
35 advertising space or time involved in the contract, plus
36 ten thousand dollars (\$10,000), or by both imprisonment
37 and fine. The person shall also be subject to license
38 revocation pursuant to Section 24200.

39 (d) Any on-sale retail licensee, as described in
40 subdivision (a), who solicits or coerces a holder of a beer



1 or wine wholesaler’s license to solicit a holder of a beer
2 manufacturer’s or winegrower’s license to purchase
3 advertising space or time pursuant to subdivision (a) or
4 (b) shall be guilty of a misdemeanor and shall be
5 punished by imprisonment in the county jail not
6 exceeding six months, or by a fine in an amount equal to
7 the entire value of the advertising space or time involved
8 in the contract, plus ten thousand dollars (\$10,000), or by
9 both imprisonment and fine. The person shall also be
10 subject to license revocation pursuant to Section 24200.

11 ~~SEC. 2.—~~

12 *SEC. 3.* This act is an urgency statute necessary for
13 the immediate preservation of the public peace, health,
14 or safety within the meaning of Article IV of the
15 Constitution and shall go into immediate effect. The facts
16 constituting the necessity are:

17 In order to alleviate licensing restrictions regarding
18 nonprofit organizations and to avoid any possibility of
19 impropriety in the spring and summer operations of
20 licensees at the earliest possible time, it is necessary for
21 this act to take effect immediately.

