

California Department of Alcoholic Beverage Control



2015 Summary of Chaptered Legislation

Below is a summary of 2015 chaptered bills amending the Alcoholic Beverage Control (ABC) Act and the code sections affected by that legislation. All changes become effective January 1, 2016 except as otherwise noted. The text of these bills can be viewed at www.leginfo.ca.gov.

ABC Act

<u>Bill Number</u>	<u>Section</u>	<u>Subject</u>	<u>Effective</u>
AB 143	25000.2	Food Facilities	
AB 394	25247	Wine labels: Monterey County	
AB 527	25503.40	Tied-house exceptions, live entertainment marketing companies, Napa County	
AB 774	23399.45	Farmers' market beer sale permit, beer tastings	
AB 774	24045.6	Farmers' market beer tastings	
AB 774	25607.5	Nonprofit events, beer	
AB 776	23355.3	Nonprofit events	
AB 776	23399.65	Brewery event permits	
AB 776	23402.5	Retail beer purchased from manufacturer	
AB 776	25500 (f)	Publications	
AB 776	25666	Alcoholic beverage control.	
AB 780	25500.1	Tied-house restrictions, advertising, things of value	
AB 780	25502.1	Tied-house restrictions, section repealed	
AB 896	25200	Beer labels	
AB 896	25201	Beer labels, refilling containers	
AB 896	25204	Beer labels, section repealed	
AB 1295	23363.1	Craft distillers license tasting events	
AB 1595	23771	Craft distillers license	
AB 1295	23772	Craft distillers license	
AB 1320	25503.36	Tied-house exceptions, San Diego County Fairgrounds	10/6/15
SB 325	23055	ABC Legislative report	
SB 325	23428.13	Redefines airline club requirements	
SB 462	25503.34	Tied-house exceptions, Sonoma County	9/21/15
SB 462	25503.6	Tied-house exceptions, Sonoma County	9/21/15

SB 530	21215.2	Consumption of alcohol on pedicab
SB 557	25503.6	Tied-house exceptions, San Diego County Fairgrounds
SB 685	23453	Alcoholic beverage service: veterans' club license
SB 796	23405.4	Qualifying licensees, private equity funds
SB 796	25502.2	Deletes sunset date on winemaker dinners
SB 796	25503.28	Beer manufacturers, six total branch locations.
SB 796	25600.1	Contests and sweepstakes, alcoholic beverages
SB 796	25600.2	Alcoholic beverages, contests and sweepstakes

AB 143 (Wood) Food facilities: wine tastings

Chapter No.: 164

Effective: 1/1/16

Summary: This bill would expand the types of pre-packaged foods a wine tasting facility can offer while still being exempt from requirements governing food facilities. This bill also contains other minor, noncontroversial changes to code governing food safety. This bill also:

- Excludes a premises set aside for wine tasting that offers pretzels or prepackaged non-potentially hazardous food for sale or for onsite consumption from the definition of a food facility.
- Limits the food display area in premises set aside for wine tasting to 25 square feet and subject those premises to specified provisions of the California Retail Food Code.
- Imposes new duties on local health agencies, and by expands the definition of a crime.
- Limits the definition of a community event to include only an event of a civic, political, public, or educational nature conducted for not more than 25 consecutive or nonconsecutive days in a 90-day period.
- Limits the clean toilet facility exemption to food facilities that have been in continuous operation since January 1, 2004. Any wine tasting facility that has not been in continuous operation since January 1, 2004 must provide clean bathrooms to their customers.

Sections: Amends Sections 113755, 113789, 114276, and 114289 of the Health and Safety Code.

AB 394 (Stone) Alcoholic beverage control: wine labels: Monterey County.

Chapter No.: 167

Effective: 1/1/16

Summary: This bill requires any wine bottled on or after January 1, 2019, labeled with an American Viticultural Area (AVA) established pursuant to federal law that is located entirely within the County of Monterey to bear the designation "Monterey County" on the label. This bill also authorizes the Department of Alcoholic Beverage Control to suspend or revoke the license of any person who violates these provisions.

Sections: Adds Section 25247 to the Business and Professions Code.

AB 527 (Dodd)

Chapter No.: 517

Effective: 1/1/16

Summary: This bill creates a new tied-house exception in the Alcoholic Beverage Control Act would expressly authorize, until January 1, 2019, certain alcoholic beverage licensees to sponsor events promoted by or purchase advertising space and time from, or on behalf of, a live entertainment marketing company that is a wholly owned subsidiary of a live entertainment company that is not publicly traded and has its principal place of business in the County of Napa, under specified conditions. This bill also:

- Provides that any sponsorship of events or purchase of advertising space or time must be conducted pursuant to a written contract entered into by the alcoholic beverage supplier and the live entertainment marketing company.
- Makes it a misdemeanor for an alcoholic beverage supplier to coerce or induce, directly or indirectly, a licensed wholesaler to fulfill the contractual obligations entered into pursuant to the above provisions. Also, subjects the alcoholic beverage supplier (licensee) to license suspension or revocation.
- Makes it a misdemeanor for any on-sale retail licensee to solicit or coerce, directly or indirectly, an alcoholic beverage supplier to purchase advertising time or space and subjects the on-sale retail licensee to license suspension or revocation.

Sections: Adds and repeals Section 25503.40 of the Business and Professions Code.

AB 774 (Levine) Alcoholic beverages: beer manufacturers: farmers' market: tasting: nonprofit corporation: donated beer.

Chapter No.: 107

Effective: 1/1/16

Summary: This bill authorizes a holder of a certified farmers' market beer sales permit to conduct an instructional tasting event on the subject of beer at a certified farmers' market. This bill also modifies an existing provision of law which authorizes the issuance of a special temporary on-sale or off-sale wine license by ABC to certain nonprofits that receive wine donations for fundraising purposes. This bill extends the authorization to include beer donations.

Sections: Amends Sections 23399.45, 24045.6, and 25607.5 of the Business and Professions Code.

AB 766 (Cooper) Alcoholic beverage control.

Chapter No.: 519

Effective: 1/1/16

Summary: This bill does three major things. Firstly, it would authorize a licensed beer manufacturer to apply to the Department of Alcoholic Beverage Control (ABC) for a brewery event permit which would allow beer manufacturers to expand their brewery premises for special events subject to certain conditions. Secondly, this bill authorizes licensed alcoholic beverage manufacturers and retailers to participate together in sponsoring and promoting events conducted by, and for the benefit of, nonprofit organizations, subject to certain conditions. Thirdly, this bill clarifies the terms for which an administrative hearing involving the sale of alcohol to a minor may be delayed, to include reasonable situations where the minor is generally unavailable.

Sections: Amends Sections 25500 and 25666, and adds Sections 23355.3, 23399.65, and 23402.5 to, the Business and Professions Code.

AB 780 (Williams) Alcoholic beverages: tied-house restrictions: on-sale retailers advertising.

Chapter No.: 408

Effective: 1/1/16

Summary: This bill consolidates two similar tied-house exceptions (one pertaining to "on-sale" retailers and the other to "off-sale" retailers) within the Alcoholic Beverage Control (ABC) Act. This bill will authorize manufacturers to provide contact information about a retailer, including a retailer's "electronic media" information, pertaining to the retail availability of the manufacturers' products in direct communications with consumers. This bill also removes the requirement that manufacturers only share a retailer's contact information in response to a direct inquiry from a consumer.

Sections: Amends Section 25500.1, and repeals Section 25502.1 of, the Business and Professions Code.

AB 893 (Stone) Beer: labels.

Chapter No.: 410

Effective: 1/1/16

Summary: This bill requires a manufacturer, before the first sale of a brand of beer in this state, to register the brand with the Department of Alcoholic Beverage Control (ABC), as specified, and makes the manufacturer responsible for compliance with labeling and registration requirements. The bill authorizes the department to take action it deems necessary and reasonable if beer is sold or offered for sale without first complying with these provisions. This bill also:

- Stipulates that a package or sealed container of beer shall not be sold in this state without having a label affixed to such package or container that meets specified federal requirements.
- Provides that the manufacturer of the beer shall be responsible for compliance with the requirements of this bill. Also, in cases where beer is manufactured pursuant to a joint venture or other collaborative arrangement, only the actual manufacturer of the beer need comply.

Sections: Adds Section 25201, repeals Section 25204, and repeals and adds Section 25200 of, the Business and Professions Code.

AB 1295 (Levine) Craft distillers: licenses.

Chapter No: 640

Effective: 1/1/16

Summary: This bill creates a new “craft distillers license” limited to those who manufacture less than 100,000 gallons of distilled spirits per fiscal year, exclusive of brandy production. This new license would allow for distillers to sell up to the equivalent of 2.25 liters of distilled spirits to consumers participating in a tasting event on the distiller’s licensed premises. This bill would also impose an original fee and an annual renewal fee for the license, which would be deposited in the Alcohol Beverage Control (ABC) Fund. In the event the licensee no longer qualifies as a craft distiller due to the amount of distilled spirits reported to the Department of ABC, the licensee may continue to hold the privileges granted by this act. This bill also:

- Authorizes a licensed craft distiller to sell all beers, wines, brandies, or distilled spirits to consumers for consumption on the premises in a bona fide eating place located on the licensed premises or on premises owned by the licensee that are contiguous licensed

premises operated by and for the licensee, provided that any alcoholic beverage products not manufactured by the licensee are purchased from a licensed wholesaler.

- Modifies an existing provision of law that currently allows distillers to offer six, one-quarter ounce tastings, per individual/per day, to instead permit distillers to combine the current limitation into one single 1 ounce tasting that may also include a non-alcoholic mixer. Also, deletes the provision in existing law that prohibits tastings of distilled spirits from being given in the form of a cocktail or a mixed drink.
- Specifies that licensed craft distillers must annually report amount of distilled spirits they produce to ABC. If the licensee no longer qualifies to hold a craft distiller's license, ABC must renew the license as a distilled spirits manufacturer's license. If a licensee no longer qualifies as a craft distiller due to the amount of distilled spirits reported to ABC, the licensee may continue to hold the privileges granted by this act.

Sections: Amends Sections 23363.1, 23771, and 23772, and adds Article 6 (commencing with Section 23500) to Chapter 3 of Division 9 of, the Business and Professions Code.

AB 1320 (Maienschein) Alcoholic beverages: tied-house restrictions: advertising.

Chapter No: 527

Effective: 10/6/15

Summary: This bill creates a new tied-house exception in the Alcoholic Beverage Control (ABC) Act that authorizes certain alcoholic beverage licensees to sponsor a limited number of events promoted by or to purchase advertising space and time from, or on behalf of, a live entertainment marketing company that conducts live artistic, musical, sports, or cultural entertainment events solely at the San Diego County Fairgrounds in Del Mar, under specified conditions.

Sections: adds Section 25503.36 to the Business and Professions Code.

SB 325 (Hall) Alcoholic beverages.

Chapter No.: 257

Effective: 1/1/16

Summary: Current law requires the Director of Alcoholic Beverage Control (ABC), on or before March 1 of each year, to make an annual report to the Legislature on the department's activities and to post the report on its Internet Web site. This bill would instead require the department to provide the report upon request of the Legislature. This bill also makes clarifying changes to an outdated provision relating to airline "club" licenses.

Sections: Amends Sections 23055 and 23428.13 of the Business and Professions Code.

SB 462 (Wolk) Alcoholic beverages: tied house restrictions: Sonoma County.

Chapter No.: 315

Effective: 9/21/15

Summary: This bill extends an existing tied-house exception in the Alcoholic Beverage Control (ABC) Act pertaining to the general prohibition against advertising arrangements between retail, wholesale and manufacturer licensees to include a specified entertainment complex, known as the Green Music Center, located on the campus of Sonoma State University. Additionally, this bill adds a new section of law to the Act that allows alcoholic beverage licensees, as specified, to make monetary or alcoholic beverage contributions to the Green Music Center under certain conditions. As amended 8/27/15, this bill also contains language from SB 557 (Hall) of 2015 which would expand the above mentioned tied-house exception to include the Del Mar fairgrounds located in the County of San Diego. This bill also contains double-jointing language regarding bill SB 557 (Hall) of 2015.

Sections: Amends Section 25503.6, and adds Section 25503.34 to the Business and Professions Code.

SB 530 (Pan) Pedicabs: Alcoholic Beverages

Chapter No.: 496

Effective: 1/1/16

Summary: This bill expands the definition of a pedicab and exempts pedicabs from obtaining a license from the Department of Alcoholic Beverage Control (ABC) and allows consumption of alcohol on a pedicab as long as it is not supplied from a pedicab company. This bill also requires pedicab operators and their safety monitor to receive training. This bill also:

- Provides that alcoholic beverages shall not be provided by the operator or onboard safety monitor or any employee or agent of the operator or onboard safety monitor of the pedicab. Alcoholic beverages may only be supplied by the passengers of the pedicab.
- States that all alcoholic beverages supplied by passengers of the pedicab shall be in enclosed sealed and unopened containers that have been properly labeled as such prior to their consumption on board the pedicab.
- Provides that alcoholic beverages may be consumed by a passenger of the pedicab only while he or she is physically on board and within the pedicab.
- Requires both the operator and safety monitor to have completed either the Licensee Education on Alcohol and Drugs (LEAD) program implemented by the Department of Alcoholic Beverage Control or a training course utilizing the curriculum components

recommended by the Responsible Beverage Service Advisory Board established by the Director of Alcoholic Beverage Control.

Sections: Amends Sections 467.5 and 23229, and adds Article 4.5 (commencing with Section 21215) to Chapter 1 of Division 11, and repeals Section 21215.2 of the Vehicle Code.

SB 557 (Hall) Alcoholic beverages: tied-house restrictions: advertising.

Chapter No.: 420

Effective: 1/1/16

Summary: This bill extends an existing tied-house exception in the Alcoholic Beverage Control (ABC) Act pertaining to the general prohibition against advertising arrangements between retail, wholesale and manufacturer licensees to include a fairgrounds with a horse racetrack and equestrian and sports facilities located in the County of San Diego, specifically the Del Mar Fairgrounds. As amended on 9/1/15, this bill also contains language from SB 462 (Wolk) of 2015 which would expand the above mentioned tied-house exception to include a specified entertainment complex, known as the Green Music Center, located on the campus of Sonoma State University. These amendments also contain double-jointing language regarding bill SB 462 (Wolk) of 2015 to avoid chaptering conflicts.

Sections: Amends Section 25503.6 of the Business and Professions Code.

SB 685 (McGuire) Alcoholic beverage service: veterans' club license.

Chapter No.: 423

Effective: 1/1/16

Summary: This bill authorizes a holder of a veterans' club license to sell and serve alcoholic beverages for consumption within the licensed establishment to members of other veterans' organizations, active duty or reserve members of the Armed Forces, or veterans, as well as to the members of the veterans' organization and their guests.

Sections: Amends Section 23453 of the Business and Professions Code.

SB 796 (Committee on Governmental Organization) Alcoholic beverages: licenses: advertising: contests and sweepstakes.

Chapter No.: 311

Effective: 1/1/16

Summary: This bill provides that the Department of Alcoholic Beverage Control (ABC) is not required to qualify a person who is an investor in a private equity fund that holds an interest in

an alcoholic beverage license, subject to specified conditions, and would authorize the department to require the manager of the private equity fund to execute an affidavit confirming compliance with the requirements of this provision. This bill also:

- Existing law allows, until January 1, 2016, a person employed or engaged by an authorized licensee to participate at promotional event held at the premises of an off-sale retail licensee for the purposes of providing autographs on bottles or other items to consumers, subject to certain conditions. This bill deletes the January 1, 2016 sunset date, allowing the exception mentioned above to continue.
- Clarifies that a beer manufacturer can only exercise retail privileges at a maximum of six locations, regardless of other circumstances
- Authorizes the inclusion of alcoholic beverages as part of a prize in a consumer contest or sweepstakes as long as the inclusion of the alcoholic beverages in the prize package is incidental.

Sections: Amends Sections 25502.2, 25503.28, 25600.1, and 25600.2, and adds Section 23405.4 to the Business and Professions Code.