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**AB-780 Alcoholic beverages: tied-house restrictions: on-sale retailers advertising.** (2015-2016)

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**Assembly Bill No. 780**

**CHAPTER 408**

An act to amend Section 25500.1 of, and to repeal Section 25502.1 of, the Business and Professions Code, relating to alcoholic beverages.

[ Approved by Governor October 01, 2015. Filed with Secretary of State October 01, 2015. ]

**LEGISLATIVE COUNSEL'S DIGEST**

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

The Alcoholic Beverage Control Act generally prohibits a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler from furnishing or lending money or other thing of value to a person engaged in operating, owning, or maintaining an on-sale licensed premises. The act provides that the listing of the names, addresses, telephone numbers, email addresses, Internet Web site addresses, or other electronic media, of 2 or more unaffiliated on-sale retailers selling beer, wine, or distilled spirits of a nonretail industry member, as defined, in response to a direct inquiry from a consumer, as specified, does not constitute a thing of value or prohibited inducement, if certain conditions are met. The act includes among those conditions the requirement that the listing not refer to only one on-sale retailer or only to on-sale retail establishments controlled by the same retailer. The act creates a parallel exception from the general prohibition on furnishing or lending money or things of value for off-sale retailers, except that it does not reference other electronic media.

This bill would broaden the exception for on-sale retailers described above by removing the requirement that the listing be in response to a direct inquiry and would include within the definition of a nonretail industry member brandy manufacturers and rectifiers. The bill would also permit the listing of contact information pursuant to these provisions for off-sale retailers, make conforming changes to reflect this inclusion, and delete provisions that would be redundant regarding off-sale retailers, as described above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 25500.1 of the Business and Professions Code is amended to read:

**25500.1.** (a) The listing of the names, addresses, telephone numbers, email addresses, or Internet Web site addresses, or other electronic media, of two or more unaffiliated on-sale or off-sale retailers selling beer, wine, or distilled spirits produced, distributed, or imported by a nonretail industry member does not constitute a thing of value or prohibited inducement to the listed on-sale or off-sale retailer, provided all of the following conditions are met:

- (1) The listing does not also contain the retail price of the product.

(2) The listing is the only reference to the on-sale or off-sale retailers in the direct communication.

(3) The listing does not refer only to one on-sale or off-sale retailer or only to on-sale or off-sale retail establishments controlled directly or indirectly by the same retailer.

(4) The listing is made, or produced, or paid for, exclusively by the nonretail industry member.

(b) For the purposes of this section, "nonretail industry member" is defined as a manufacturer, including, but not limited to, a beer manufacturer, winegrower, brandy manufacturer, rectifier, or distiller of alcoholic beverages or an agent of that entity, or a wholesaler, regardless of any other licenses held directly or indirectly by that person.

(c) The Legislature finds that it is necessary and proper to require a separation among manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques. The Legislature further finds that the exceptions established by this section to the general prohibition against tied interests shall be limited to their express terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

**SEC. 2.** Section 25502.1 of the Business and Professions Code is repealed.