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AB-2469 Alcoholic beverages: beer wholesalers: beer sales. (2017-2018)



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Assembly Bill No. 2469

CHAPTER 492

An act to add Section 23378.05 to the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 18, 2018. Filed with Secretary of State September 18, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2469, Berman. Alcoholic beverages: beer wholesalers: beer sales.

Existing law, the Alcoholic Beverage Control Act, is administered by the Department of Alcoholic Beverage Control and regulates the granting of licenses for the manufacture, distribution, and sale of alcoholic beverages within the state. Under existing law, any violation of the Alcoholic Beverage Control Act is a misdemeanor, as provided.

This bill would require a beer wholesaler to comply with specified requirements for any sale or offer of sale of beer within the state. By expanding existing crimes by imposing additional duties on a licensee under the Alcoholic Beverage Control Act, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. Section 23378.05 is added to the Business and Professions Code, to read:

23378.05. (a) For any sale or offer of sale of beer by a beer wholesaler within the state, the beer wholesaler shall comply with all of the following:

- (1) Pursuant to Section 25000.5, the beer wholesaler shall file and maintain with the department a written territorial agreement with each beer manufacturer prior to the wholesaler's sale or offer of sale of each beer manufacturer's beer.
- (2) Pursuant to Section 25000, the beer wholesaler shall file prices with the department for each beer manufacturer's beer prior to the wholesaler's sale or offer of sale of each manufacturer's beer.
- (3) (A) The beer wholesaler shall own or lease a warehouse sufficient to store at one time a stock of beer equal to 10 percent or more of the wholesaler's annual volume of beer case and keg sales to retailers within this state.

- (B) The beer wholesaler shall maintain at all times in a warehouse either owned or leased by the wholesaler a stock of beer equal to not less than 5 percent of the wholesaler's annual volume of beer case and keg sales to retailers within this state.
- (C) If a beer wholesaler has more than one leased or owned licensed warehouse premises, the wholesaler shall be required to comply with the conditions of subparagraphs (A) and (B) only in connection with one licensed warehouse premises.
- (4) The beer wholesaler shall receive all beer for sale at the wholesaler's licensed warehouse premises, unload and maintain the beer on the premises, and record the beer into the wholesaler's inventory and for the California Beverage Container Recycling and Litter Reduction Act, prior to any sale or reloading for delivery.
- (5) The beer wholesaler shall sell only beer that the wholesaler owns and has in physical possession and that is not acquired, held, or offered for sale under consignment.
- (6) The beer wholesaler shall sell beer only from the wholesaler's licensed warehouse premises or pursuant to Section 23388.
- (7) The beer wholesaler shall deliver all beer sold to retailers for delivery from the wholesaler's licensed warehouse premises only with equipment owned, leased, or rented by the wholesaler.
- (8) The beer wholesaler shall sell beer for resale generally and not to a single retailer or retailers that have a direct or indirect interest in the wholesaler or in each other and that are owned in whole or in part or managed or controlled directly or indirectly by the retailer or retailers.
- (b) For purposes of this section, "beer manufacturer" means any holder of a beer manufacturer's license, any holder of an out-of-state beer manufacturer's certificate, or any holder of a beer and wine importer's general license.
- **SEC. 2.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.