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SB-392 Tied-house restrictions: advertising exceptions: City of Inglewood. (2023-2024)

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Senate Bill No. 392

CHAPTER 604

An act to amend Section 25503.6 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor October 08, 2023. Filed with Secretary of State October 08, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 392, Bradford. Tied-house restrictions: advertising exceptions: City of Inglewood.

Existing law, the Alcoholic Beverage Control Act, which is administered by the Department of Alcoholic Beverage Control, regulates the application, issuance, and suspension of alcoholic beverage licenses. Existing law, known as tied-house restrictions, generally prohibits specified licensees, or their officers, directors, or agents, from giving or lending money or a thing of value to a person operating, owning, or maintaining any on-sale premises where alcoholic beverages are sold. In this regard, existing law specifically prohibits paying a retailer for advertising. Existing law creates a variety of exceptions to this prohibition, including permitting specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is an owner, manager, agent or assignee of the owner, or major tenant of certain venues, including a stadium with a fixed seating capacity of at least 70,000 seats located in the City of Inglewood and a performance venue with a seating capacity of at least 5,000 seats adjacent to the stadium. Existing law makes specified violations of these advertising provisions punishable as a misdemeanor.

This bill would expand the above-described exception to tied-house restrictions that allows for the purchase of advertising by extending it to a fully enclosed arena with a seating capacity of at least 18,000 seats located in the City of Inglewood. By expanding the scope of a crime, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Inglewood.

This bill would incorporate additional changes to Section 25503.6 of the Business and Professions Code proposed by AB 840 to be operative only if this bill and AB 840 are enacted and this bill is enacted last.

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 25503.6 of the Business and Professions Code is amended to read:

25503.6. (a) Notwithstanding any other provision of this chapter, a beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

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

(A) An outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in the County of Sacramento or the County of Alameda.

(B) (i) A fully enclosed arena with a fixed seating capacity in excess of 18,000 seats located in the County of Los Angeles.

(ii) An outdoor stadium of at least 70,000 seats located in the County of Los Angeles operated by a joint powers authority.

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

(D) An exposition park of not less than 50 acres that includes an outdoor stadium with a fixed seating capacity in excess of 8,000 seats and a fully enclosed arena with an attendance capacity in excess of 4,500 people, located in the County of San Bernardino.

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

(F) An outdoor stadium and a fully enclosed arena with fixed seating capacities in excess of 10,000 seats located in the County of Fresno.

(G) An athletic and entertainment complex of not less than 50 acres that includes within its boundaries an outdoor stadium with a fixed seating capacity of at least 8,000 seats and a second outdoor stadium with a fixed seating capacity of at least 3,500 seats located in the County of Riverside.

(H) An outdoor stadium with a fixed seating capacity in excess of 1,500 seats located in the County of Tulare.

(I) A motorsports entertainment complex of not less than 50 acres that includes within its boundaries an outdoor speedway with a fixed seating capacity of at least 50,000 seats, located in the County of San Bernardino.

(J) An exposition park, owned or operated by a bona fide nonprofit organization, of not less than 400 acres with facilities including a grandstand with a seating capacity of at least 8,000 people, at least one exhibition hall greater than 100,000 square feet, and at least four exhibition halls, each greater than 30,000 square feet, located in the City of Pomona or the City of La Verne in the County of Los Angeles.

(K) An outdoor soccer stadium with a fixed seating capacity of at least 25,000 seats, an outdoor tennis stadium with a fixed seating capacity of at least 7,000 seats, an outdoor track and field facility with a fixed seating capacity of at least 7,000 seats, and an indoor velodrome with a fixed seating capacity of at least 2,000 seats, all located within a sports and athletic complex built before January 1, 2005, in the City of Carson in the County of Los Angeles.

(L) An outdoor professional sports facility with a fixed seating capacity of at least 4,200 seats located in the County of San Joaquin.

(M) A fully enclosed arena with a fixed seating capacity in excess of 13,000 seats located in the City of Inglewood.

(N) (i) An outdoor stadium with a fixed seating capacity of at least 68,000 seats located in the City of Santa Clara.

(ii) A beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, a major tenant of an outdoor stadium described in clause (i), provided the major tenant does not hold a retail license, and the advertising may include the placement of advertising in an on-sale licensed premises operated at the outdoor stadium.

(O) A complex of not more than 50 acres located on the campus of, and owned by, Sonoma State University dedicated to presenting live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances with venues that include a concert hall with a seating capacity of approximately 1,500 seats, a second concert hall with a seating capacity of up to 300 seats, an outdoor area with a seating capacity of up to 5,000 seats, and a further outdoor area with a seating capacity of up to 10,000 seats. With respect to this complex, advertising space and time may also be purchased from or on behalf of the owner of the complex, a long-term tenant or licensee of the venue, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(P) A fairgrounds with a horse racetrack and equestrian and sports facilities located in the County of San Diego.

(Q) (i) A stadium with a fixed seating capacity of at least 70,000 seats located in the City of Inglewood and a performance venue with a seating capacity of at least 5,000 seats adjacent to the stadium. Advertising authorized by this clause may be placed in areas within the retail, entertainment, commercial, and mixed-use development which includes the stadium and performance venue, provided that the advertising shall not be placed on or in, or otherwise promote, any permanently licensed retail premises other than the stadium or performance venue.

(ii) A fully enclosed arena with a seating capacity of at least 18,000 seats located in the City of Inglewood. Advertising authorized by this clause may be placed on or in the fully enclosed arena and within the perimeter of the main entry area immediately adjacent to the arena, which includes an open plaza and band shell, provided that the advertising shall not be placed on or in, or otherwise promote, any permanently licensed retail premises other than the fully enclosed arena or a permanently licensed retail premises located within the main entry area that is wholly owned by and operated by or for the owner of the arena.

(R) An outdoor stadium with a fixed seating capacity of at least 40,000 seats located in the City and County of San Francisco.

(S) An indoor arena with a fixed seating capacity of at least 13,000 seats located in the City and County of San Francisco.

(T) An outdoor stadium with a fixed seating capacity in excess of 20,000 seats located in the City of Los Angeles.

(U) An outdoor stadium with a fixed seating capacity of at least 43,000 seats located in the City of San Diego.

(V) An outdoor professional sports stadium with a fixed seating capacity of at least 3,000 seats located in the City of San Jose.

(W) An outdoor professional sports stadium with a fixed seating capacity of at least 15,000 seats located in the City of San Jose.

(X) A fully enclosed arena with a fixed seating capacity in excess of 4,000 seats located in the City of San Jose.

(Y) A fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in the County of Riverside.

(Z) Any of the following facilities that are situated on the campus of San Diego State University (SDSU), including the SDSU Mission Valley site, located in the County of San Diego.

(i) An outdoor multipurpose stadium with a fixed seating capacity of at least 30,000 seats.

(ii) A fully enclosed arena with a fixed seating capacity in excess of 10,000 seats.

(iii) An outdoor baseball stadium with a fixed seating capacity of at least 1,800 seats.

(iv) An outdoor softball stadium with a fixed seating capacity of at least 300 seats.

(v) An open-air amphitheater with a fixed seating capacity of at least 4,000 seats.

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

(3) The advertising space or time is purchased only in connection with the events to be held on the premises of the exposition park, stadium, or arena owned by the on-sale licensee. With respect to an exposition park as described in subparagraph (J) of paragraph (1) that includes at least one hotel, the advertising space or time shall not be displayed on or in any hotel located in the exposition park, or purchased in connection with the operation of any hotel located in the exposition park. With respect to the complex described in subparagraph (O) of paragraph (1), the advertising space or time shall be purchased only in connection with live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances to be held on the premises of the complex. With respect to a fully enclosed arena described in subparagraph (X) of paragraph (1), advertising space or time shall be purchased only for interior advertising in connection with events conducted within the arena.

(4) The on-sale licensee serves other brands of beer distributed by a competing beer wholesaler in addition to the brand manufactured or marketed by the beer manufacturer, other brands of wine distributed by a competing wine wholesaler in addition to the brand produced by the winegrower, and other brands of distilled spirits distributed by a competing distilled spirits wholesaler in addition to the brand manufactured or marketed by the rectifier, the craft distiller, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent that purchased the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the beer manufacturer, the holder of the winegrower's license, the rectifier, the craft distiller, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent and any of the following:

(1) The on-sale licensee.

(2) With respect to clause (ii) of subparagraph (N) of paragraph (1) of subdivision (a), the major tenant of the outdoor stadium.

(3) With respect to subparagraphs (O), (Q), (R), (T), (Y), and (Z) of paragraph (1) of subdivision (a), the owner, a long-term tenant of the complex, or licensee of the complex, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(c) Any beer manufacturer or holder of a winegrower's license, any rectifier, any craft distiller, any distilled spirits manufacturer, or any distilled spirits manufacturer's agent who, through coercion or other illegal means, induces, directly or indirectly, a holder of a wholesaler's license to fulfill all or part of those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space, time, or costs involved in the contract, whichever is greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(d) Any on-sale retail licensee, as described in subdivision (a), who, directly or indirectly, solicits or coerces a holder of a wholesaler's license to solicit a beer manufacturer, a holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or a distilled spirits manufacturer's agent to purchase advertising space or time pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, whichever is greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(e) For the purposes of this section, "beer manufacturer" includes 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.

(f) 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. 1.5. Section 25503.6 of the Business and Professions Code is amended to read:

25503.6. (a) Notwithstanding any other provision of this chapter, a beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

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

(A) An outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in the County of Sacramento or the County of Alameda.

(B) (i) A fully enclosed arena with a fixed seating capacity in excess of 18,000 seats located in the County of Los Angeles.

(ii) An outdoor stadium of at least 70,000 seats located in the County of Los Angeles operated by a joint powers authority.

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

(D) An exposition park of not less than 50 acres that includes an outdoor stadium with a fixed seating capacity in excess of 8,000 seats and a fully enclosed arena with an attendance capacity in excess of 4,500 people, located in the County of San Bernardino.

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

(F) An outdoor stadium and a fully enclosed arena with fixed seating capacities in excess of 10,000 seats located in the County of Fresno.

(G) An athletic and entertainment complex of not less than 50 acres that includes within its boundaries an outdoor stadium with a fixed seating capacity of at least 8,000 seats and a second outdoor stadium with a fixed seating capacity of at least 3,500 seats located in the County of Riverside.

(H) An outdoor stadium with a fixed seating capacity in excess of 1,500 seats located in the County of Tulare.

(I) A motorsports entertainment complex of not less than 50 acres that includes within its boundaries an outdoor speedway with a fixed seating capacity of at least 25,000 seats, located in the County of San Bernardino.

(J) An exposition park, owned or operated by a bona fide nonprofit organization, of not less than 400 acres with facilities including a grandstand with a seating capacity of at least 8,000 people, at least one exhibition hall greater than 100,000 square feet, and at least four exhibition halls, each greater than 30,000 square feet, located in the City of Pomona or the City of La Verne in the County of Los Angeles.

(K) An outdoor soccer stadium with a fixed seating capacity of at least 25,000 seats, an outdoor tennis stadium with a fixed seating capacity of at least 7,000 seats, an outdoor track and field facility with a fixed seating capacity of at least 7,000 seats, and an indoor velodrome with a fixed seating capacity of at least 2,000 seats, all located within a sports and athletic complex built before January 1, 2005, in the City of Carson in the County of Los Angeles.

(L) An outdoor professional sports facility with a fixed seating capacity of at least 4,200 seats located in the County of San Joaquin.

(M) A fully enclosed arena with a fixed seating capacity in excess of 13,000 seats located in the City of Inglewood.

(N) (i) An outdoor stadium with a fixed seating capacity of at least 68,000 seats located in the City of Santa Clara.

(ii) A beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, a major tenant of an outdoor stadium described in clause (i), provided the major tenant does not hold a retail license, and the advertising may include the placement of advertising in an on-sale licensed premises operated at the outdoor stadium.

(O) A complex of not more than 50 acres located on the campus of, and owned by, Sonoma State University dedicated to presenting live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances with venues that include a concert hall with a seating capacity of approximately 1,500 seats, a second concert hall with a seating capacity of up to 300 seats, an outdoor area with a seating capacity of up to 5,000 seats, and a further outdoor area with a seating capacity of up to 10,000 seats. With respect to this complex, advertising space and time may also be purchased from or on behalf of the owner of the complex, a long-term tenant or licensee of the venue, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(P) A fairgrounds with a horse racetrack and equestrian and sports facilities located in the County of San Diego.

(Q) (i) A stadium with a fixed seating capacity of at least 70,000 seats located in the City of Inglewood and a performance venue with a seating capacity of at least 5,000 seats adjacent to the stadium. Advertising authorized by this clause may be placed in areas within the retail, entertainment, commercial, and mixed-use development which includes the stadium and performance venue, provided that the advertising shall not be placed on or in, or otherwise promote, any permanently licensed retail premises other than the stadium or performance venue.

(ii) A fully enclosed arena with a seating capacity of at least 18,000 seats located in the City of Inglewood. Advertising authorized by this clause may be placed on or in the fully enclosed arena and within the perimeter of the main entry area immediately adjacent to the arena, which includes an open plaza and band shell, provided that the advertising shall not be placed on or in, or otherwise promote, any permanently licensed retail premises other than the fully enclosed arena or a permanently licensed retail premises located within the main entry area that is wholly owned by and operated by or for the owner of the arena.

(R) An outdoor stadium with a fixed seating capacity of at least 40,000 seats located in the City and County of San Francisco.

(S) An indoor arena with a fixed seating capacity of at least 13,000 seats located in the City and County of San Francisco.

(T) An outdoor stadium with a fixed seating capacity in excess of 20,000 seats located in the City of Los Angeles.

(U) An outdoor stadium with a fixed seating capacity of at least 43,000 seats located in the City of San Diego.

(V) An outdoor professional sports stadium with a fixed seating capacity of at least 3,000 seats located in the City of San Jose.

(W) An outdoor professional sports stadium with a fixed seating capacity of at least 15,000 seats located in the City of San Jose.

(X) A fully enclosed arena with a fixed seating capacity in excess of 4,000 seats located in the City of San Jose.

(Y) A fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in the County of Riverside.

(Z) Any of the following facilities that are situated on the campus of San Diego State University (SDSU), including the SDSU Mission Valley site, located in the County of San Diego.

(i) An outdoor multipurpose stadium with a fixed seating capacity of at least 30,000 seats.

(ii) A fully enclosed arena with a fixed seating capacity in excess of 10,000 seats.

(iii) An outdoor baseball stadium with a fixed seating capacity of at least 1,800 seats.

(iv) An outdoor softball stadium with a fixed seating capacity of at least 300 seats.

(v) An open-air amphitheater with a fixed seating capacity of at least 4,000 seats.

(AA) Any of the following facilities that are situated on the campus of California Polytechnic State University, San Luis Obispo, located in the County of San Luis Obispo:

(i) An outdoor stadium with a fixed seating capacity of at least 11,000 seats.

(ii) A fully enclosed arena with a fixed seating capacity of at least 3,000 seats.

(iii) An outdoor stadium with a fixed seating capacity of at least 3,000 seats.

(iv) An outdoor stadium with a fixed seating capacity of at least 800 seats.

(v) An indoor performing arts venue with two concert halls and a theater with a combined fixed seating capacity of at least 1,800 seats.

(AB) Any of the following facilities that are situated on the campus of California State University, Fresno, located in the County of Fresno:

(i) An outdoor stadium with a fixed seating capacity of at least 40,000 seats.

(ii) An outdoor stadium with a fixed seating capacity of at least 5,000 seats.

(iii) An outdoor stadium with a fixed seating capacity of at least 2,400 seats.

(iv) An outdoor stadium with a fixed seating capacity of at least 2,000 seats.

(AC) Any of the following facilities that are situated on the campus of California State University, Sacramento, located in the County of Sacramento:

(i) An outdoor stadium with a fixed seating capacity of at least 20,000 seats.

(ii) A fully enclosed arena with a fixed seating capacity of at least 1,000 seats.

(iii) An outdoor stadium with a fixed seating capacity of at least 1,200 seats.

(iv) An outdoor stadium with a fixed seating capacity of at least 800 seats.

(v) An outdoor stadium with a fixed seating capacity of at least 1,000 seats.

(AD) The following facility that is situated on the campus of California State University, Monterey Bay, located in the County of Monterey:

(i) An outdoor stadium with a fixed seating capacity of at least 6,000 seats.

(AE) Any of the following facilities that are situated on the campus of California State University, Fullerton, located in the County of Orange:

- (i) A fully enclosed arena with a fixed seating capacity of at least 4,000 seats.
- (ii) An outdoor stadium with a fixed seating capacity of at least 3,500 seats.
- (iii) An outdoor stadium with a fixed seating capacity of at least 1,000 seats.
- (iv) An outdoor stadium with a fixed seating capacity of at least 10,000 seats.

(AF) Any of the following facilities that are situated on the campus of San Jose State University, located in the County of Santa Clara:

- (i) An outdoor stadium with a fixed seating capacity of at least 17,000 seats.
- (ii) A fully enclosed arena with a fixed seating capacity of at least 5,000 seats.

(AG) Any of the following facilities that are situated on the campus of California State University, Northridge, located in the County of Los Angeles:

- (i) An indoor performing arts center with a fixed seating capacity of at least 1,700 seats.
- (ii) A fully enclosed arena with a fixed seating capacity of at least 2,000 seats.

(AH) Any of the following facilities that are situated on the campus of St. Mary's College of California, located in the County of Contra Costa:

- (i) A fully enclosed arena with a fixed seating capacity in excess of 3,500 seats located in the Town of Moraga.
- (ii) An outdoor stadium with a fixed seating capacity of at least 5,500 seats located in the Town of Moraga.
- (iii) An outdoor stadium with a fixed seating capacity of at least 650 seats located in the Town of Moraga.

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

(3) The advertising space or time is purchased only in connection with the events to be held on the premises of the exposition park, stadium, or arena owned by the on-sale licensee. With respect to an exposition park as described in subparagraph (J) of paragraph (1) that includes at least one hotel, the advertising space or time shall not be displayed on or in any hotel located in the exposition park, or purchased in connection with the operation of any hotel located in the exposition park. With respect to the complex described in subparagraph (O) of paragraph (1), the advertising space or time shall be purchased only in connection with live artistic, musical, sports, food, beverage, culinary, lifestyle, or other cultural and entertainment events and performances to be held on the premises of the complex. With respect to a fully enclosed arena described in subparagraph (X) of paragraph (1), advertising space or time shall be purchased only for interior advertising in connection with events conducted within the arena.

(4) The on-sale licensee serves other brands of beer distributed by a competing beer wholesaler in addition to the brand manufactured or marketed by the beer manufacturer, other brands of wine distributed by a competing wine wholesaler in addition to the brand produced by the winegrower, and other brands of distilled spirits distributed by a competing distilled spirits wholesaler in addition to the brand manufactured or marketed by the rectifier, the craft distiller, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent that purchased the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the beer manufacturer, the holder of the winegrower's license, the rectifier, the craft distiller, the distilled spirits manufacturer, or the distilled spirits manufacturer's agent and any of the following:

(1) The on-sale licensee.

(2) With respect to clause (ii) of subparagraph (N) of paragraph (1) of subdivision (a), the major tenant of the outdoor stadium.

(3) With respect to subparagraphs (O), (Q), (R), (T), (Y), (Z), (AA), (AB), (AC), (AD), (AE), (AF), (AG), and (AH) of paragraph (1) of subdivision (a), the owner, a long-term tenant of the complex, or licensee of the complex, whether or not the owner, long-term tenant, or licensee holds an on-sale license.

(c) Any beer manufacturer or holder of a winegrower's license, any rectifier, any craft distiller, any distilled spirits manufacturer, or any distilled spirits manufacturer's agent who, through coercion or other illegal means, induces, directly or indirectly, a holder of a wholesaler's license to fulfill all or part of those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space, time, or costs involved in the contract, whichever is greater, plus ten

thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(d) Any on-sale retail licensee, as described in subdivision (a), who, directly or indirectly, solicits or coerces a holder of a wholesaler's license to solicit a beer manufacturer, a holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or a distilled spirits manufacturer's agent to purchase advertising space or time pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, whichever is greater, plus ten thousand dollars (\$10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

(e) For the purposes of this section, "beer manufacturer" includes 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.

(f) 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. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique conditions found in the City of Inglewood, relating to fair and efficient application of the alcoholic beverage control licensing laws with respect to an eligible arena.

SEC. 3. Section 1.5 of this bill incorporates amendments to Section 25503.6 of the Business and Professions Code proposed by both this bill and Assembly Bill 840. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2024, (2) each bill amends Section 25503.6 of the Business and Professions Code, and (3) this bill is enacted after Assembly Bill 840, in which case Section 1 of this bill shall not become operative.

SEC. 4. 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.