

AMENDED IN ASSEMBLY AUGUST 25, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1895

Introduced by Assembly Member ~~Quirk Bonta~~

February 19, 2014

An act to ~~add Section 23363.4 to the Business and Professions Code, relating to alcoholic beverages; amend Section 19985 of the Business and Professions Code, relating to gambling.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1895, as amended, ~~Quirk Bonta. Alcoholic beverages: sales: distilled spirits.—Gambling Control Act: nonprofit organization fundraisers.~~

The Gambling Control Act provides for the licensure and regulation of various legalized gambling activities and establishments by the California Gambling Control Commission and the investigation and enforcement of those activities and establishments by the Department of Justice. Existing law authorizes a nonprofit organization to conduct fundraisers using controlled games as a funding mechanism to further the purposes and missions of the nonprofit organization. Under existing law, the Legislature finds and declares that nonprofit organizations provide important and necessary services to the people of the State of California, and there is a need to provide methods of fundraising to nonprofit organizations.

This bill would make technical, nonsubstantive changes to that provision.

~~The Alcoholic Beverage Control Act contains various provisions regulating the application for, the issuance of, the suspension of, and the conditions imposed upon, alcoholic beverage licenses by the~~

Department of Alcoholic Beverage Control. The act provides that a violation of its provisions is a misdemeanor, unless otherwise specified.

This bill would authorize distilled spirits manufacturers to sell general merchandise and food, nonalcoholic beverages, and distilled spirits to consumers directly, as provided. Because the violation of a provision of a license is punishable as a misdemeanor, the bill expands the definition of an existing crime, thereby creating 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-no*. State-mandated local program: *yes-no*.

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

1 SECTION 1. Section 19985 of the Business and Professions
2 Code is amended to read:

3 19985. The Legislature finds and declares *all of* the following:

4 (a) Nonprofit organizations provide important and necessary
5 services to the people of the State of California with respect to
6 educational and social ~~services~~ *services*, and there is a need to
7 provide methods of fundraising to nonprofit organizations so as
8 to enable them to meet their stated purposes.

9 (b) The playing of controlled games for the purpose of raising
10 funds by nonprofit organizations is in the public interest.

11 (c) Uniform regulation for the conduct of controlled games is
12 in the best interests of nonprofit organizations and the people of
13 this state.

14 SECTION 1. Section 23363.4 is added to the Business and
15 Professions Code, to read:

16 23363.4. (a) ~~A distilled spirits manufacturer, notwithstanding~~
17 ~~any other provisions of this division, may also sell general~~
18 ~~merchandise and food, nonalcoholic beverages, and distilled spirits~~
19 ~~to consumers for consumption on or off the licensed premises~~
20 ~~where sold.~~

21 (b) ~~The Legislature finds that it is necessary and proper to~~
22 ~~require a separation between manufacturing interests, wholesale~~

1 interests, and retail interests in the production and distribution of
2 alcoholic beverages in order to prevent suppliers from dominating
3 local markets through vertical integration and to prevent excessive
4 sales of alcoholic beverages produced by overly aggressive
5 marketing techniques. The Legislature further finds that the
6 exception established by this section to the general prohibition
7 against tied interests shall be limited to its express terms so as not
8 to undermine the general prohibition, and intends that this section
9 be construed accordingly.

10 SEC. 2. ~~No reimbursement is required by this act pursuant to~~
11 ~~Section 6 of Article XIII B of the California Constitution because~~
12 ~~the only costs that may be incurred by a local agency or school~~
13 ~~district will be incurred because this act creates a new crime or~~
14 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
15 ~~for a crime or infraction, within the meaning of Section 17556 of~~
16 ~~the Government Code, or changes the definition of a crime within~~
17 ~~the meaning of Section 6 of Article XIII B of the California~~
18 ~~Constitution.~~