

## Assembly Bill No. 805

### CHAPTER 232

An act to add Section 25503.29 to the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 31, 1995. Filed with  
Secretary of State August 1, 1995.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 805, Cortese. Alcoholic beverages: tied-house restrictions.

Existing law generally prohibits a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler from, among other things, holding the ownership, directly or indirectly, of any interest in any on-sale or off-sale license. Existing law contains various exemptions from this restriction, however, including an exemption for a retail on-sale license for a marine park located in San Diego County, as defined.

This bill would provide an additional exemption for a retail on-sale license for premises that are an integral part of, or adjacent to, the operations of a motion picture or television production facility or an affiliated theme park in Los Angeles County, as specified.

The bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 25503.29 is added to the Business and Professions Code, to read:

25503.29. (a) Nothing in this division shall prohibit the issuance, transfer, or renewal of any retail on-sale license to any person with respect to premises that are either an integral part of, or adjacent to, the operations of a motion picture or television production facility or an affiliated motion picture or television theme park, which premises are owned by, or operated by or on behalf of, the licensee, notwithstanding that a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler has any interest, directly or indirectly, in the premises, in the retail license, or in the retail licensee, if all of the following conditions are met:

(1) No more than 10 percent of the total gross annual revenues of the motion picture or television production facility and any affiliated theme park is derived from the sale of alcoholic beverages.



(2) The retail licensee shall purchase no beer, wine, or distilled spirits for sale in this state other than from a wholesale licensee, and the retail licensee shall purchase no alcoholic beverages for sale in this state from any wholesale licensee that has any interest, directly or indirectly, in the premises, in the retail licensee, or in the retail license.

(3) The retail licensee serves other brands of beer, wine, and distilled spirits in addition to the brands manufactured or distributed by the beer or distilled spirits manufacturer or produced or distributed by the winegrower which has any interest, directly or indirectly, in the premises, in the retail licensee, or in the retail license.

(4) No more than 15 percent of the retail licensee's purchases of alcoholic beverages for sale on its licensed premises shall be products manufactured or distributed by the beer or distilled spirits manufacturer or produced or distributed by the winegrower which has any interest, directly or indirectly, in the premises, in the retail licensee, or in the retail license.

(b) For purposes of this section:

(1) "Motion picture or television production facility" means an establishment where motion pictures or television programs are produced.

(2) "Motion picture or television theme park" means an establishment with not less than 25 contiguous acres, located in Los Angeles County, the predominant purpose of which is the entertainment of the public through activities related to motion pictures and television programs, that has an annual paid attendance of at least three million people.

(3) "Adjacent to" means located on commonly owned property, or contiguous to, or in close proximity.

(c) The Legislature finds that it is necessary and proper to require a separation between 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 exception established by this section to the general prohibition against tied interests must be limited to its express terms so as not to undermine the general prohibition, and intends that this section shall be construed accordingly.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:



In order to ensure that the economy of California will not be adversely affected, and that jobs and tax revenues will not be irretrievably lost, it is necessary that this act take effect immediately.

O

