

AMENDED IN ASSEMBLY JUNE 8, 2000

AMENDED IN SENATE APRIL 3, 2000

**SENATE BILL**

**No. 1423**

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**Introduced by Senator Chesbro**

February 3, 2000

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

LEGISLATIVE COUNSEL'S DIGEST

SB 1423, as amended, Chesbro. Alcoholic beverages: tied-house restrictions.

The Alcoholic Beverage Control Act contains limitations on sales commonly known as "tied-house" restrictions, which generally prohibit a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler from furnishing, giving, or lending any money or other thing of value to any person engaged in operating, owning, or maintaining any off-sale licensed premises.

~~Existing law provides that for purposes of these provisions, the listing of the names, addresses, telephone numbers or E-mail addresses, or both, or web site addresses, of 2 or more unaffiliated off-sale retailers selling the products produced, distributed, or imported by a nonretail industry member in response to a direct inquiry from a consumer received by telephone, by mail, by electronic Internet inquiry, or in person does not constitute a thing of value or prohibited~~

~~inducement to the listed off-sale retailer, if specified conditions are met.~~

~~This bill would make a technical correction to these provisions.~~

*This bill would provide that for purposes of these provisions, the listing of the names, addresses, telephone numbers or e-mail addresses, or both, or web site addresses, of two or more unaffiliated on-sale retailers selling wine or brandy, or both, and operating and licensed as bona fide public eating places selling the wine or brandy produced, distributed or imported by a nonretail industry member in response to a direct inquiry from a consumer received by telephone, by mail, by electronic Internet inquiry or in person does not constitute a thing of value or prohibited inducement to the listed on-sale retailer, if specified conditions are met.*

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

- 1 ~~SECTION 1. Section 25502.1 of the Business and~~
- 2 *SECTION 1. Section 25500.1 is added to the Business*
- 3 *and Professions Code, to read:*
- 4 *25500.1. Notwithstanding Section 25500, the listing of*
- 5 *the names, addresses, telephone numbers and/or e-mail*
- 6 *addresses, or web site addresses, of two or more*
- 7 *unaffiliated on-sale retailers selling wine and/or brandy*
- 8 *and operating and licensed as bona fide public eating*
- 9 *places pursuant to Section 23038 selling the wine and/or*
- 10 *brandy produced, distributed and/or imported by a*
- 11 *nonretail industry member in response to a direct inquiry*
- 12 *from a consumer received by telephone, by mail, by*
- 13 *electronic Internet inquiry or in person does not*
- 14 *constitute a thing of value or prohibited inducement to*
- 15 *the listed on-sale retailer, provided:*
- 16 *(a) The listing does not also contain the retail price of*
- 17 *the product, and*
- 18 *(b) The listing is the only reference to the on-sale*
- 19 *retailers in the direct communication, and*



1 (c) The listing does not refer only to one on-sale  
2 retailer or only to on-sale retail establishments controlled  
3 directly or indirectly by the same on-sale retailer, and

4 (d) The listing is made by, and/or produced by, and/or  
5 paid for, exclusively by the nonretail industry member  
6 making the response.

7 For the purposes of this section, “nonretail industry  
8 member” is defined as a manufacturer, winegrower,  
9 distiller of wine and/or brandy, regardless of any other  
10 licenses held directly or indirectly by such person. Except  
11 as specifically provided above, any payment for, making  
12 or production, either directly or indirectly, listing the  
13 names, addresses, telephone numbers and/or e-mail  
14 addresses, or web site addresses, of on-sale retailers  
15 otherwise authorized by this section by a wholesaler or by  
16 a wholesaler that also holds an importer’s license shall  
17 constitute the furnishing of a thing of value or  
18 inducement to the listed on-sale retailers in violation of  
19 this division.

20 ~~Professions Code is amended to read:~~

21 ~~25502.1. Notwithstanding Section 25502, the listing of~~  
22 ~~the names, addresses, telephone numbers and/or E-mail~~  
23 ~~addresses, or web site addresses, of two or more~~  
24 ~~unaffiliated off-sale retailers selling the products~~  
25 ~~produced, distributed and/or imported by a nonretail~~  
26 ~~industry member in response to a direct inquiry from a~~  
27 ~~consumer received by telephone, by mail, by electronic~~  
28 ~~Internet inquiry or in person does not constitute a thing~~  
29 ~~of value or prohibited inducement to the listed off-sale~~  
30 ~~retailer, provided:~~

31 ~~(a) The listing does not also contain the retail price of~~  
32 ~~the product, and~~

33 ~~(b) The listing is the only reference to the off-sale~~  
34 ~~retailers in the direct communication, and~~

35 ~~(c) The listing does not refer only to one off-sale~~  
36 ~~retailer or only to off-sale retail establishments controlled~~  
37 ~~directly or indirectly by the same off-sale retailer, and~~

38 ~~(d) The listing is made by, and/or produced by, and/or~~  
39 ~~paid for, exclusively by the nonretail industry member~~  
40 ~~making the response.~~



1 For the purposes of this section, “nonretail industry  
2 member” is defined as a manufacturer, winegrower,  
3 distiller of alcoholic beverages, regardless of any other  
4 licenses held directly or indirectly by such person. Except  
5 as specifically provided above, any payment for, making  
6 or production, either directly or indirectly, listing the  
7 names, addresses, telephone numbers and/or E-mail  
8 addresses, or web site addresses, of off-sale retailers  
9 otherwise authorized by this section by a wholesaler or by  
10 a wholesaler that also holds an importer’s license shall  
11 constitute the furnishing of a thing of value or  
12 inducement to the listed off-sale retailers in violation of  
13 this division.

