

## INDUSTRY ADVISORY: AB 776 TEMPORARY EXPANSION OF BREWERY PREMISES FOR EVENTS

AB 776 (Cooper) was sponsored by the California Craft Brewers Association and signed by the Governor Brown in October 2015. The new law adds section 23399.65 of the ABC ACT to allow breweries to apply to the ABC for a temporary expansion of their permitted brewery premises for special events. The new law went into effect January 1, 2016.

### Summary:

This bill allows a licensed beer manufacturer to apply to the Department of Alcoholic Beverage Control (ABC) for a Type 77 event permit. This permit grants the licensee the temporary privilege of exercising its license privileges on property contiguous and adjacent to its licensed premises for special events (**up to four events in a calendar year**). To apply for a Type 77 license, a brewery would fill out form [ABC-239](#). Instructions can be found [here](#).

AB 776 will enable breweries to hold special anniversary celebrations, new release parties or other special events where the expected crowd could not be accommodated within the licensed premise of the brewery.

### Provisions:

The bill also imposes the following conditions on the beer manufacturer:

- Limits the number of events authorized by a brewery event permit to **no more than four in any calendar year**.
- The fee for a brewery event permit issued during the 2016 calendar year will be \$127 (regardless of the amount listed in the new code section). For a permit issued during the years thereafter, the annual fee shall be calculated as specified. The permit may be renewed annually at the same time as the licensee's license and shall be transferable as a part of the license.
- Specifies that for each brewery event, the licensee must obtain consent for the sale of beer from ABC in the form of an event authorization issued by the department. To apply for an event authorization a brewery would fill out form [ABC-215](#). An event authorization shall also be subject to approval by the appropriate local law enforcement agency and limits the fee for each event authorization is limited to no more than \$25.
- All "conditions" (restrictions such as hours of operations, live music restrictions, etc.) that are attached to the beer manufacturers license will also apply to the event being conducted.
- Makes it explicit that at all approved events, the licensee **may exercise only those privileges authorized by the licensee's license** and requires the licensee to comply with all provisions of the ACT pertaining to the conduct of on-sale premises.
- Property used for the event does not have to be owned or leased by the licensee, but must be "under the control" of the licensee during the course of the event. If the licensee does not own or lease the property (such as a city street or neighbor's property), the licensee should have a contract agreement with the entity that owns the property allowing the licensee to conduct the event on the property.

- “Green fencing” is not required. The Type 77 license for licensed retailers does require 8’ green fencing, but this is not a specified requirement for beer manufacturers. The ABC may however include this as a condition to the Type 77 license.
- The property being used for the Type 77 event should have a perimeter fence with designated entry point(s).
- A type 75 license can obtain a Type 77 license but must fulfill the requirements as specified for retail accounts (must have green fencing).

#### AB 776 Code Section

SEC. 2. Section 23399.65 is added to the Business and Professions Code, to read:

23399.65. (a) A licensed beer manufacturer may apply to the department for a brewery event permit. A brewery event permit shall authorize the sale of beer produced by the licensee pursuant to Section 23357 for consumption on property contiguous and adjacent to the licensed premises owned or under the control of the licensee. The property shall be secured and controlled by the licensee.

(b) (1) The fee for a brewery event permit for a licensed beer manufacturer shall be one hundred ten dollars (\$110) for a permit issued during the 2016 calendar year, and for a permit issued during the years thereafter, the annual fee shall be calculated pursuant to subdivisions (b) and (c) of Section 23320. The permit may be renewed annually at the same time as the licensee’s license. A brewery event permit shall be transferable as a part of the license.

(2) For each brewery event, consent for the sale of beer pursuant to subdivision (a) at the brewery event shall be first obtained by the licensee from the department in the form of an event authorization issued by the department. An event authorization shall be subject to approval by the appropriate local law enforcement agency. The fee for each event authorization shall not exceed twenty-five dollars (\$25). The number of events authorized by a brewery event permit shall not exceed four in any calendar year.

(3) All moneys collected as fees pursuant to this subdivision shall be deposited in the Alcohol Beverage Control Fund, as described in Section 25761, for allocation, upon appropriation by the Legislature, as provided in subdivision (d) of that section.

(c) At all approved events, the licensee may exercise only those privileges authorized by the licensee’s license and shall comply with all provisions of the act pertaining to the conduct of on-sale premises, and violation of those provisions may be grounds for suspension or revocation of the licensee’s license or permit, or both, as though the violation occurred on the licensed premises.

(d) The department may adopt any regulations it determines to be necessary for the administration of this section.