

Understanding AB 776 (Cooper)

Expansion of Brewery Premises for Events

Summary

Code section 23402.5 of the Business and Professions Code authorizes licensed beer manufacturers 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

Background

- This bill became law on January 1st, 2016 with the passage of AB 776 (Cooper). **AB 776 bill was sponsored by the California Craft Brewers Association**
- Prior to the passage of AB 776, alcoholic beverages, including beer brewed under the beer manufacturers license, was not allowed off the brewery premise for consumption during events adjacent to the brewery

Details

- This bill enables breweries to hold special anniversary celebrations, new release parties, or any other special event where the expected crowd could not be accommodated in the licensed areas of the brewery.
- To apply for a Type 77 license, a brewery is required to submit form [ABC-239](#) to the ABC district office. Instructions can be found [here](#). An event authorization shall be subject to approval by the appropriate local law enforcement agency and limits the fee for each event authorization to no more than \$25.
- No more than four events per licensed location in a calendar year are allowed
- Each permit is valid for no more than one day
- Only beer produced by the licensee may be served
- 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.
- Does not allow beer manufacturers' who also operate a bona fide eating establishment to sell or serve other beer or wine on the extended premises. Per the statute, only beer produced by or for the beer manufacturer may be served under the type 77 permit.
- 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.

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- “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.

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.

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