

## **SB 1426 (Hall) Fact Sheet**

### **What is SB 1426?**

SB 1426 was introduced by Senator Isadore Hall (D-South Bay) and sponsored by the global alcohol company, DIAGEO. SB 1426 was introduced to resolve a licensing issue for a major celebrity that would like to maintain investments in on-sale licensed restaurants while simultaneously working for DIAGEO as a paid spokesperson for their alcohol products. The full text of the bill can be read online [here](#).

### **Why should I be concerned about SB 1426?**

The sponsor and author of SB 1426 introduced the bill to help resolve a narrow issue for one celebrity spokesperson, but as it is written, the bill would legalize blatant pay-to-play practices for the first time in California.

The longstanding ban on payments from alcohol beverage manufacturers to retail licensees is the central component of California's tied-house laws and the key reason small, independent, craft brewers enjoy a growing and successful industry. Tied-house laws are critical to ensuring equal access to market. Without the protection of tied-house laws, larger suppliers with deeper pockets would be able to pay retailers to market and promote their products. The CCBA is concerned SB 1426 could open the door to more pay-to-play practices, including global alcohol producers paying retailers to carry their products at the exclusion of others.

### **What happens next?**

Alternative language has been provided that would solve this licensing issue without sacrificing our state's tied-house laws and destroying the level playing field that nearly 700 craft breweries in California rely on. This language has not been accepted by the author or sponsor of the bill. Please share your concern and opposition with your Assemblymember to help us stop this damaging legislation from moving forward.

### **Questions?**

Please feel free to call or email if you have any questions: [tom@californiacraftbeer.com](mailto:tom@californiacraftbeer.com), 530-305-1128