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April 18, 2023

The Honorable Bill Dodd  
Member, California State Senate  
1021 O Street, Room 7610  
Sacramento, CA 95814

**Re: SB 277 (Dodd) – Expanding a Retail Off-Sale Beer and Wine License to Permit the Sales of Distilled Spirits – OPPOSE**

Dear Senator Dodd:

I write on behalf of the members of the California Craft Brewers Association (CCBA) to respectfully register their opposition to SB 277 as currently drafted.

CCBA members rely upon a predictable licensing structure from the California Department of Alcoholic Beverage Control (ABC). The current ABC statutes and regulations are predicated upon the federal and state governments treatment of beer and wine as distinctly different than distilled spirits. This line of separation is based upon the differences in production and end product.

This bill seeks to remedy a marketing issue for distilled spirit beverage products by fundamentally altering the basis of our ABC statutes and licensing apparatus which would affect all alcohol manufacturers, retailers, importers and wholesalers. Rather, the issue can be resolved immediately if the sponsor simply informs retailers who seek to sell their distilled spirits products to change their license status from a Type 20 to a Type 21 license.

The ABC Act regulates “distilled spirits” differently than “beer and wine” due to the inherent differences in the means of production and the product itself. SB 277 would upend this current ABC licensing structure by regulating alcoholic beverages by alcohol content or alcohol-by-volume (ABV) instead. In so doing, the longstanding federal and state predicate for regulating and licensing alcoholic beverage products is forever breached at the state level creating more confusion in the codes potentially impacting future compliance and taxation.

CCBA supports an ABC Act that continues to regulate and license the sales of alcoholic beverages based upon differences in the means of production versus ABV. To do otherwise invites unnecessary confusion and future inconsistency in the interpretation of these statutes.

Successful alcohol policy has always recognized the fundamental differences between beer and wine and distilled spirits. For these reasons, CCBA regrettably conveys our opposition to SB 277.

If you should have questions or need additional information, please do not hesitate to contact me at (916) 835-9796.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lori Ajax".

Lori Ajax, Executive Director

California Craft Brewers Association

Cc: The Honorable Senate Governmental Organization Committee  
Mr. Felipe Lopez, Chief Consultant, Senate Governmental Organization  
Committee  
Mr. Ted Morley, Republican Consultant, Senate Governmental Organization  
Committee