2024 New Alcoholic Beverage Laws

AB 1217 (Gabriel, Chapter 569, Statutes of 2023) Business pandemic relief.

Amends Section 25607 of the Business and Professions Code, amends Section 65907 of the Government Code, and amends Section 114067 of the Health and Safety Code, relating to pandemic relief. (Effective January 1, 2024)

Summary of Code Section Changes - This bill delays the expiration of COVID-19 Temporary Catering Authorizations from February 28, 2024, to July 1, 2026. This bill also eliminates the authority of the department to continue a COVID-19 Temporary Catering Authorization beyond its expiration if the licensee has a pending application with the department for a premises expansion. As such, all COVID-19 Temporary Catering Authorizations are scheduled to expire July 1, 2026, unless otherwise extended by the Legislature.

SB 269 (Laird, Chapter 176, Statutes of 2023) Alcoholic beverages:

licensed premises: retail sales and consumption.

Amends Section 25607 of the Business and Professions Code, relating to alcoholic beverages. (Effective January 1, 2024)

Summary of Code Section Changes - This bill adds craft distillers and brandy manufacturers to the shared-use privileges established by AB 1734 (Bennett, Chapter 175, Statutes of 2022). In practice, this means a beer manufacturer's license, a winegrower's license, a craft distiller's license, or a brandy manufacturer's license, that are held in any combination and under identical ownership, may overlap at the same premises without necessitating separate sales and consumption areas. Per this bill, this privilege may only be used by a craft distiller if it is at the master license locations of the brewery, winery, and/or distillery.

SB 788 (Ashby, Chapter 114, Statutes of 2023) Beer manufacturers: cider and perry.

Amends Section 23357 of the Business and Professions Code, relating to alcoholic beverages. (Effective January 1, 2024)

Summary of Code Section Changes - This bill removes the requirement that a beer manufacturer must annually produce at least 60,000 barrels of beer in order to manufacture cider or perry under their beer manufacturers license. This bill does not authorize tasting, consumption, or sales to customers at the brewery, which will still require a winegrower's license.

SB 844 (Jones, Chapter 295, Statutes of 2023) Alcoholic beverage control: retail license transfers and beer returns.

Amends Sections 23104.2 and 24044 of the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately. **(Effective September 30, 2023)**

Summary of Code Section Changes - This urgency bill expands the definition of "seasonal brand of beer", which governs the allowance for wholesalers or manufacturers to accept returns of beer from retailers and is currently limited to only those commemorating a specific holiday season, so that it includes those that recognize either a season or a holiday.

SB 76 (Wiener, Chapter 700, Statutes of 2023) Alcoholic beverages:

music venue license: entertainment zones: consumption.

Amends Sections 23357, 23358, 23396, and 23552 of the Business and Professions Code, adds Section 23039.5 to, and adds Article 5 (commencing with Section 25690) to Chapter 16 of Division 9 of, the Business and Professions Code, relating to alcoholic beverages. (Effective January 1, 2024)

Summary of Code Section Changes - This bill authorizes the City and County of San Francisco to create "entertainment zones" where people may carry and consume alcoholic beverages on public streets, sidewalks, and public rights-of- way adjacent to and during special events licensed by ABC. Beer manufacturers, winegrowers, and on-sale licensees located in entertainment zones would be authorized to sell open alcoholic beverages for consumption off the premises within the local jurisdiction-approved entertainment zone if all of the following conditions are satisfied:

- 1. The premises is located within the entertainment zone.
- 2. Consumption of that type of alcoholic beverage is authorized by the San Francisco government's ordinance creating the entertainment zone.
- 3. Open alcohol containers for consumption in the entertainment zone only leave the premises during the hours allowed by the ordinance establishing the entertainment zone (and only during the hours of alcohol service at the special event licensed by ABC).
- 4. Patrons with open containers exit the premises directly into an entertainment zone.
- 5. All alcoholic beverages in the entertainment zone are purchased only at a licensed premises located within the entertainment zone.
- 6. The premises expressly prohibits open containers or closed containers of alcoholic beverages acquired outside their premises.
- 7. Delivery of alcoholic beverages to consumers for consumption within the entertainment zone by the licensee or by any third-party delivery service is expressly prohibited unless the delivery is to a residential building or private business that is not a licensee.
- 8. No alcoholic beverages purchased at the licensed premises may leave the premises in an open glass or metal container for consumption in an entertainment zone.
- 9. Any other conditions established in the ordinance adopted by the City and

County of San Francisco.

10. In order to participate, the licensee must annually notify ABC; those with restricted privileges due to operating conditions or statutory restrictions may be prohibited from exercising entertainment zone privileges that are contrary to their operating conditions. For purposes of this provision, any restrictions on the exercise of off-sale privileges would apply to the removal of alcoholic beverages from the licensed premises for consumption in an entertainment zone.

Before an entertainment zone becomes operable, the City and County of San Francisco must adopt an ordinance on or after January 1, 2024, that establishes a process or procedure by which persons in possession of alcoholic beverages in entertainment zones may be readily identifiable as being 21 years of age or older, among other specified requirements.

AB 1088 (Rubio, Chapter 829, Statutes of 2023) Licensed craft distillers: direct shipping.

Amends Section 23504.5 of the Business and Professions Code, relating to alcoholic beverages. (Effective January 1, 2024)

Summary of Code Section Changes - This bill temporarily extends direct-to- consumer shipping privileges of California craft distillers from January 1, 2024, until January 1, 2025. Such sales must still comply with Business and Professions Code section 23504.5. To summarize, the temporary privilege allows a licensed craft distiller to directly ship distilled spirits manufactured or produced by the licensee at its premises to a consumer only if the sale complies with all of the following:

- 1. The amount shipped must not exceed the equivalent of 2.25 liters in any combination of prepackaged containers per day per consumer and shall be solely for the consumer's personal use and not for resale.
- 2. The licensed craft distiller must maintain adequate records of the shipments and provide those records to the department upon request.
- 3. The licensed craft distiller must require the common carrier to obtain the signature of any individual 21 years of age or older before delivering any distilled spirits shipped to an individual in this state.
- 4. The containers in which the distilled spirits are shipped must be conspicuously labeled with the words: "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY."

This temporary privilege will now expire on January 1, 2025 unless extended by the Legislature.