

CONCURRENCE IN SENATE AMENDMENTS

AB 1323 (Haney)

As Amended June 21, 2022

Majority vote

SUMMARY

This bill would allow specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant of an on-sale retail licensed premises configured with theatrical seating of at least 1,600 seats but no more than 2,400 seats in the city and County of San Francisco (Curran Theater), as specified.

Senate Amendments

- 1) Delete the Assembly version of this bill.
- 2) Change author from Assembly member Chiu to Assembly Member Haney.
- 3) Authorize specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant of an on-sale retail licensed premises configured with theatrical seating of at least 1,600 seats but no more than 2,400 seats in the City and County of San Francisco. A similar authorization already exist for such a theater that has seating capacity of at least 2,100 seats. This bill decreases the seating capacity to 1,600 seats to include the Curran Theatre in San Francisco.

COMMENTS*Background.*

Tied-House Laws. Tied-house laws generally prohibit suppliers and retailers from sharing common owners and legally restrict alcohol beverage suppliers' ability to gain control over retailers through indirect means. The original policy rationale for this body of law was to: 1) promote the state's interest in an orderly market; 2) prohibit the vertical integration and dominance by a single producer in the marketplace; 3) prohibit commercial bribery and to protect the public from predatory marketing practices; and 4) discourage and/or prevent the intemperate use of alcoholic beverages.

These provisions prohibit a manufacturer from paying for advertising space at any facility where the facility is licensed to sell alcoholic beverages. Over the years, numerous exceptions to this prohibition have been added to a number of stadiums, parks, entertainment complexes, and arenas. Some examples are Levi's Stadium in Santa Clara, Oakland Coliseum in Oakland, Honda Center in Anaheim, Kern County Arena in Bakersfield, the National Orange Show Events Center in San Bernardino, Auto Club Speedway, (formerly California Speedway) in Fontana, Grizzly Stadium in Fresno, Sutter Health Park in West Sacramento, SAP Center in San Jose, Dignity health in Carson, and numerous other venues.

Curran Theatre. The Curran Theatre is a historical theatre in San Francisco that opened in February 1922 with a seating of approximately 1,600 seats. In 2015, the theatre closed for renovations. The Curran reopened on January 25, 2017, with the musical Fun Home. Currently the theatre is hosting Harry Potter and the Cursed Child. In 2020, AB 3139 (Gray), Chapter 175, Statutes of 2020, extended a current tied-house exception to an on-sale retail licensed premises

with theatrical seating of at least 2,100 seats but no more than 2,400 seats. The bill required that the historic theater be located in the City and County of San Francisco and that the theatre was built prior to 1927. With such language, the Orpheum and Golden Gate Theater were captured under the bill. Unfortunately, because of the 2,100-seat minimum, the language in AB 3139 does not include the Currant Theater even though the theatre meets all of the other criteria. This bill decreases the seating capacity to 1,600 seats to include the Curran Theatre in San Francisco.

According to the Author

According to the author's office, "San Francisco's historic theaters were immeasurably harmed by the pandemic and the resulting shut down of the city's theater district. In 2020 the Legislature passed AB 3139 (Chiu) which gave the Orpheum and Golden Gate Theaters a tied-house exception allowing specified licensees to purchase advertising space and time, from on-sale, alcohol retail licenses at the two theaters. AB 3139 (Chiu) allowed the historic theaters to offset some of the harm of the pandemic by creating a modest allowance for relationships that would mutually benefit the Orpheum and Golden Gate theaters as well as alcohol manufacturers."

The author's office, further argues that, "in 2022 the Ambassador Theatre Group purchased the Orpheum and Golden Gate Theaters as well as a third historic theater the Curran Theater. AB 1323 (Haney) will extend the benefit granted by AB 3139 (Chiu) to this additional theater by giving the Curran the same tied-house exception allowing it the same benefits afforded to the Orpheum and Golden Gate Theater."

Arguments in Support

None received

Arguments in Opposition

None received

FISCAL COMMENTS

According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

VOTES:

ASM PRIVACY AND CONSUMER PROTECTION: Vote Not Relevant

YES:

ASM ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: Vote Not Relevant

YES:

ASM APPROPRIATIONS: Vote Not Relevant

YES:

ASSEMBLY FLOOR: Vote Not Relevant

YES:

ABS, ABST OR NV:

SENATE FLOOR: 36-0-4

YES: Allen, Archuleta, Atkins, Bates, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, Limón, McGuire, Melendez, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener, Wilk

ABS, ABST OR NV: Borgeas, Dahle, Gonzalez, Roth

UPDATED

VERSION: June 21, 2022

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FN: 0003265