

CONCURRENCE IN SENATE AMENDMENTS

AB 1323 (Haney)

As Amended June 21, 2022

Majority vote

SUMMARY

Original Committee of Reference: P. & C.P.

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 Theatre), as specified.

Senate Amendments

Current Committee Recommendation: Concur

- 1) Delete the Assembly version of this bill.
- 2) Change author from Assemblymember Chiu to Assemblymember 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*. 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 Curran Theatre even though the theatre meets all of the other criteria. AB 1323 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 (Gray and Chiu) which granted 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. The bill 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. This bill will extend the benefit granted by AB 3139 to this additional theater by giving the Curran Theatre the same tied-house exception allowing it the same benefits afforded to the Orpheum and Golden Gate Theater."

Arguments in Support

The Ambassador Theatre Group writes, "This bill simply adjusts the lower seating threshold – from 2,100 seats to 1,600 seats – on an existing tied-house exemption for historic theaters in San Francisco. AB 1323 will extend to the Curran Theatre, the same as the Golden Gate Theatre and Orpheum Theatre. All three theaters have recently been consolidated under common ownership or operation by the Ambassador Theater Group, so consistency across all three theaters is desirable."

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

ASM GOVERNMENTAL ORGANIZATION: 21-0-1

YES: Santiago, Bigelow, Aguiar-Curry, Berman, Bryan, Cooley, Cooper, Megan Dahle, Davies, Eduardo Garcia, Gipson, Jones-Sawyer, Lackey, Low, Mathis, Quirk-Silva, Ramos, Robert Rivas, Blanca Rubio, Salas, Smith

ABS, ABST OR NV: Daly

UPDATED

VERSION: June 21, 2022

CONSULTANT: Eric Johnson / G.O. / (916) 319-2531

FN: 0004504