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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### AB 1246 (Hoover) - Alcoholic beverages: distilled spirits

**Version:** June 30, 2025

**Urgency:** No

**Hearing Date:** August 29, 2025

**Policy Vote:** G.O. 15 - 0

**Mandate:** No

**Consultant:** Janelle Miyashiro

**Bill Summary:** AB 1246 authorizes craft distillers and winegrowers to possess and transport brandy for storing and aging on a winegrower's premises and increases, from 2.25 liters to 4.5 liters, the cap on the amount of distilled spirits that a craft distiller can sell per day per consumer at their premises. AB 1246 also extends, from January 1, 2026 to January 1, 2027, the sunset date for the authorization for craft distillers to ship spirits directly to consumers from their licensed premises.

### \*\*\*\*\* ANALYSIS ADDENDUM – SUSPENSE FILE \*\*\*\*\*

The following information is revised to reflect amendments  
adopted by the committee on August 29, 2025

#### Fiscal Impact:

- Unknown, likely absorbable costs to the Department of Alcoholic Beverage Control (ABC) for administrative and enforcement workload related to the new distilled spirits direct shipper permit (Alcohol Beverage Control Fund). The Department of ABC's administrative costs will be offset to some extent by fee revenue.
- Unknown, likely absorbable workload to the Department of ABC for increased enforcement related investigations as a result of doubling the cap on the amount of spirits craft distillers may sell per day per consumer.

#### Author Amendments:

- Establish a distilled spirits direct shipper permit, which authorizes licensed craft distillers and qualifying out-of-state distillers whose license is not suspended to directly ship distilled spirits manufactured or produced by the licensee to a consumer in California if the licensee does all of the following:
  - File an application for the permit with the department.
  - Pay the same fees that apply to a Type 82 direct shipper permit for winegrowers.
  - Provide the department with the craft distiller's California alcoholic beverage license number or a true copy of their current alcoholic beverage distiller license issued by another state, as applicable.
  - For permitholders located outside of California, report to the department, by January 1, 2027, the total amount of distilled spirits shipped into California during the preceding calendar year under the permit.

- For permit holders located within California, provide the department with any necessary additional information not currently provided.
  - Permit the department to perform an audit of the permit holder's records upon request.
  - Be deemed to have consented to the jurisdiction of the department or any other state agency and California courts concerning enforcement of the permit and any related laws, rules, or regulations.
- Authorize the department to enforce requirements related to the distilled spirits direct shipper permit by administrative proceedings to suspend or revoke the permit, and authorize the department to accept payment of an offer in compromise in lieu of suspension.
- Prohibit a person from selling and shipping distilled spirits directly to consumers in California without possessing a current distilled spirits direct shipper permit.
- Provides that a person who knowingly makes, participates in, transports, imports, or receives a shipment from a person who does not possess a current distilled spirits direct shipper permit is guilty of a misdemeanor.
- Defines "qualifying out-of-state distiller" as a distiller licensed in any other state that satisfies the same conditions for a California craft distiller license.
- Make other technical and conforming changes.

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