

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

AB 2375 (Blanca Rubio) – As Introduced February 19, 2026

SUBJECT: Alcoholic beverages: beer.

SUMMARY: This bill would revise the definition of “beer” within the Alcoholic Beverage Control Act (Act). The changes would allow beer to be produced using alternative grains and clarify that fermentation must take place in drinkable water. Specifically, **this bill:**

- 1) Revises the definition of “beer” for purposes of the Act to provide that beer may be produced using other grain and to specify that fermentation occurs in drinkable water.
- 2) Makes technical and clarifying changes.

EXISTING LAW:

- 1) Establishes Department of Alcoholic Beverage Control (ABC) and grants it exclusive authority to administer the provisions of the Act in accordance with laws enacted by the Legislature. This involves licensing individuals and businesses associated with the manufacture, importation, and sale of alcoholic beverages in this State and the collection of license fees.
- 2) Separates the alcoholic beverage industry into three component parts, or tiers, of the manufacturer (including breweries, wineries, and distilleries), wholesaler, and retailer (both on-sale and off-sale). This is referred to as the “Tied-house” law or “three-tier” system. Generally, other than exceptions granted by the Legislature, the holder of one type of license is not permitted to do business as another type of licensee within the “three-tier” system.
- 3) Defines “beer” to mean any alcoholic beverage obtained by the fermentation of any infusion or decoction of barley, malt, hops, or any other similar product, or any combination thereof in water, and includes ale, porter, brown, stout, lager beer, small beer, and strong beer, but does not include sake, known as Japanese rice wine. Beer may be produced using the following materials as adjuncts in fermentation: honey, fruit, fruit juice, fruit concentrate, herbs, spices, and other food materials. Beer aged in an empty wooden barrel previously used to contain wine or distilled spirits shall be defined exclusively as “beer” and shall not be considered a dilution or mixture of any other alcoholic beverage. (Cal. Bus. & Prof. Code § 23006)
- 4) Allows the manufacture of beer for personal or family use, and not for sale by a person over the age of 21. The aggregate amount of beer with respect to any household shall not exceed 200 gallons or 100 gallons if only one adult resides in such household. (Cal. Bus. & Prof. Code § 23356.2)
- 5) States that no retailer shall dispense any draught beer upon which the proper tap sign or draught beer sign is not displayed or the manufacturer or bottler of which has not complied with the Act. The ABC may seize any draught beer displayed to the public in violation of the provision and may dispose of the beer, as defined. (Cal. Bus. & Prof. Code § 25206)

FISCAL EFFECT: This bill is keyed non-fiscal by Legislative Counsel.

COMMENTS:

Purpose of the bill. According to the author's office, "Traditionally, beer has been brewed using barley, malt, and hops. However, over thousands of years, brewers have experimented with a wide variety of adjunct ingredients to create unique and innovative beer styles that reflect both seasonal influences and regional traditions. This bill aims to update the Act by expanding the definition of beer to acknowledge this historical diversity while aligning with Federal regulations on beer flavoring. Additionally, it ensures that fermentation occurs in drinkable water."

Background.

Alcohol regulation. The enactment of the 21st Amendment to the United States Constitution in 1933 repealed the 18th Amendment and ended the era of Prohibition. Accordingly, states were granted the authority to establish alcoholic beverage laws and administrative structures to regulate the sale and distribution of alcoholic beverages. In California, this responsibility was originally entrusted to the Board of Equalization (BOE). In 1955, however, the State Constitution was amended to shift this responsibility to the newly established ABC. ABC has the exclusive authority to administer the provisions of the Act in accordance with laws enacted by the Legislature. This involves licensing individuals and businesses associated with the manufacture, importation and sale of alcoholic beverages in this state and the collection of license fees or occupation taxes for this purpose.

Federal rule on beer flavoring. In 2006, the Department of the Treasury and its Alcohol and Tobacco Tax and Trade Bureau adopt as a final rule (Title 27, Code of Federal Regulations, Chapter 1, Section 25.15) that states, "Beer must be brewed from malt or from substitutes for malt. Only rice, grain of any kind, bran, glucose, sugar, and molasses are substitutes for malt. In addition, the following materials may be used as adjuncts in fermenting beer: honey, fruit, fruit juice, fruit concentrate, herbs, spices, and other food materials."

Using flavors in brewing. There are a number of methods of adding flavors to beer. These are not the flavors that are imparted naturally by the barley, malt, hops, yeast or other grain, but rather intentional additions such as fruits and spices that give a beer its uniqueness. Herbs, spices, or flavorings can be added before or after the boil. There are many other brewing sugars used in brewing beer besides barley. Any starch or sugar can be used as a fermentable adjunct in the making of beer.

There are basically two classes of fermentables that need consideration: sugars that can be fermented directly without any processing, which includes processed sugars, syrups, honey, fruits, and so on; and sugars that are locked up in starches or complex carbohydrates which require some form of processing to extract or convert the simple(r) sugars needed by the yeast.

This second class includes grains, roots, vegetables, and other ingredients that do not contain readily accessible sugars. During brewing, yeast—highly efficient at fermentation—uses enzymes to break down maltose in wort (the liquid extracted during the mashing stage of beer production) into simpler sugars that can be fermented. Fruit sugar, the most abundant naturally occurring source of fermentable sugar in nature, is not widely used in brewing. Although it is similar to glucose, its different structure makes it more difficult for yeast to ferment efficiently.

Related legislation. AB 744 (M. Rodriguez) of 2025. This bill would exempt draught beer drawn at a premises operated under a beer manufacturer license from labeling requirements otherwise applicable to an on-sale retail license. (Senate Committee on Governmental Organization)

AB 1287 (Fong) of 2025. This bill would provide an exception to the requirement that draught beer must be dispensed from a brand-identified tap or where a draught beer sign is displayed for licenses granted by the ABC for the retail sale of beer on a temporary basis for special events. (Senate Committee on Governmental Organization)

Prior legislation. AB 1940 (Villapudua), Chapter 218, Statutes of 2024. Allowed a wholesaler or manufacturer to accept the return of a seasonal brand of beer from a retail licensee if the beer is exchanged for a quantity of beer of similar quality, if the original manufacturer has ceased doing business.

AB 205 (Daly), Chapter 60, Statutes of 2019. Revised the definition of "beer" for purposes of the Act to provide that beer may be produced using honey, fruit juice, fruit concentrate, herbs, spices, and other food materials, as adjuncts in fermentation.

AB 1812 (Chesbro), Chapter 96, Statutes of 2012. Added clarity to the definition of "beer" in the Act by making it explicit that beer aged in an empty wooden barrel previously used to contain wine or distilled spirits shall be defined exclusively as "beer" and shall not be considered a dilution or mixture of any other alcoholic beverage.

SB 39 (Padilla) Chapter 140, Statutes of 2011. Prohibited the import, production, manufacture, distribution, or sale of beer to which caffeine has been directly added as a separate ingredient at retail locations within the state.

AB 346 (Beall) Chapter 624, Statutes of 2008. Provided that any container of beer or alcoholic beverage, other than sake, that is approved for labeling as a malt beverage under the Federal Alcohol Administration Act, that derives 0.5% or more of its alcoholic content by volume from flavors or other ingredients containing distilled alcohol and that is sold within this state on or after July 1, 2009, shall bear a distinctive, conspicuous, and prominently displayed label, or firmly affixed sticker, as defined.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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