

ASSEMBLY THIRD READING

AB 2663 (Rogers)

As Amended April 13, 2026

2/3 vote. Urgency

SUMMARY

This bill would extend until December 31, 2031, a current sunset provision (December 31, 2026) that authorizes the holder of an on-sale license for a bona fide public eating place that has off-sale privileges, or a licensed beer manufacturer, licensed wine manufacturer, or licensed craft distiller that operates a bona fide public eating place at its premises of production, to sell distilled spirits in manufacturer-prepackaged containers and alcoholic beverages other than beer that are not in manufacturer-prepackaged containers (Cocktails To-go) for off-sale consumption, if specified conditions are met.

Major Provisions

- 1) Allows, until December 31, 2031, the holder of an on-sale license for a bona fide public eating place that has off-sale privileges, or a licensed beer manufacturer, licensed wine manufacturer, or licensed craft distiller that operates a bona fide public eating place at its premises of production, to exercise additional off-sale rights and privileges, as specified.
- 2) Provides that a licensee may sell distilled spirits for off-sale consumption for which their license permits on-sale consumption provided the beverages are in manufacturer-prepackaged containers and ordered and picked up by the consumer, as defined.
- 3) States that a licensee may sell alcoholic beverages, except beer, for off-sale consumption for which their license permits on-sale consumption when the beverages are not in manufacturer prepackaged containers if the following conditions are met:
 - a) The alcoholic beverages are packaged in a container with a secure lid or cap sealed in a manner designed to prevent consumption without removal of the lid or cap by breaking the seal.
 - b) Wine is sold only in single-serve containers, as specified.
 - c) Mixed drinks and cocktails sold for off-sale consumption shall not exceed four and one-half ounces of distilled spirits.
 - d) Alcoholic beverages shall be sold in conjunction with a bona fide meal, and shall be limited to two such drinks per bona fide meal. A "bona fide meal" shall conform to the guidance issued by ABC on July 5, 2020 that is available on department's internet website.
 - e) The container is clearly and conspicuously labeled or otherwise identified as containing an alcoholic beverage.
- 4) Provides that specific warning signage shall be posted by the licensee that notifies consumers of restrictions regarding open container laws, as specified.

- 5) Provides that alcoholic beverages sold pursuant to this bill shall meet both of the following conditions:
- a) The alcoholic beverage shall be ordered by the consumer online, over the telephone, or in person, for pickup by the consumer.
 - b) The consumer who places the order for an alcoholic beverage shall pick up the order directly from the licensee and shall present a bona fide identification card for purposes of confirming the age and identity of the consumer who placed the order. The alcoholic beverage shall not be ordered or picked up for delivery.
- 6) States that prior to exercising the above-mentioned privileges, the licensee shall notify the ABC in writing of its intent to do so.
- 7) Authorizes ABC to place conditions on a license prohibiting or restricting the licensee's rights granted under this bill, as provided.
- 8) Contains an urgency.

COMMENTS

Background.

In 2021, SB 389 (Dodd), Chapter 657, was signed into law by Governor Newsom. The bill shared similarities with the regulatory relief provided through the Regulatory Relief Notices issued by ABC in 2020 and 2021 during the COVID-19 pandemic. The bill authorized specified restaurants (bona fide public eating-place) and certain alcohol manufacturers to sell distilled spirits in manufacturer-sealed containers (e.g. cans or bottles) for off-site consumption for which their license permits on-sale consumption if the order is picked up by the consumer and they display bona fide identification. The bill also authorized those same licensees to sell for off-site consumption distilled spirits and single-serve wine that is not in manufacturer-sealed containers (e.g. a cocktail or margarita) if the order is sold in conjunction with a meal, it is picked up by the consumer, and they display identification, among other requirements (two-drink per meal limit, alcoholic beverages be packaged in a container with a secure lid or cap, sealed in a manner designed to prevent consumption without the removal of the lid or cap). Before exercising the privilege of selling nonmanufacturer-sealed alcoholic beverages for off-site consumption, the eligible licensee must notify ABC of their intent to do so.

This bill would extend the policy another five years until December 31, 2031.

A growing and popular trend. According to the National Restaurant Association's 2021 State of the Restaurant Industry Report, roughly 7 in 10 full-service restaurants and half of fast-casual eateries offer alcohol for carryout or delivery. Furthermore, 58 percent of consumers surveyed said the ability to purchase alcoholic beverages with their takeout orders has a major impact on their choice of restaurants. Technomic also found that restaurant operators expect alcohol to-go sales to settle in at an average of 21 percent of total alcohol sales after the COVID-19 pandemic.

As of early 2026, more than 30 states, along with the District of Columbia, have enacted legislation making pandemic-era cocktails to-go permanent. At least 33 states and D.C. now

permit third-party platforms to deliver alcohol, building on temporary measures introduced during the pandemic.

On-sale and off-sale licenses. The ABC issues a number of alcohol licenses that are available to individuals seeking to operate businesses that sell alcoholic beverages. Each license establishes specific responsibilities and privileges especially when it comes to "on-sale" and "off-sale" privileges. Alcohol licenses are deemed "on-sale" if the license authorizes the sale of alcoholic beverages but requires that they are consumed on the premises. Some examples of "on-sale" businesses include bars and restaurants although restaurants do have some "off-sale" privileges. For example, under existing law restaurants are authorized to sell both wine and beer to customers for "off-sale" consumption and have those drinks delivered.

On the other hand, alcohol licenses are deemed "off-sale" if the business sells alcoholic beverages sold at the establishment but are required to be consumed offsite. For instance, liquor stores or grocery stores that sell alcoholic drinks are "off-sale" businesses. Moreover, some licenses have both "on-sale" and "off-sale" privileges. Examples of such licenses are wineries and craft distilleries.

According to the Author

According to the author's office, "AB 2663 extends the sunset date on provisions established by SB 389 by Senator Dodd. This critical legislation allows restaurants and certain alcohol manufacturers to sell prepackaged alcoholic beverages for off-premises consumption alongside a meal. Since their adoption, these provisions have provided a critical and reliable source of revenue for California's hospitality industry, especially in small mom and pop shops, helping businesses adapt to evolving consumer preferences and ongoing economic challenges. Importantly, these privileges are accompanied by strong safeguards which ensure that both consumers and restaurant owners are upheld with protocol on safe consumption at home, including requirements for sealed containers, limits on the number of drinks per meal, and in-person age verification at pickup. There is no evidence that these provisions have resulted in significant public safety concerns."

Arguments in Support

The California Restaurant Association write, "The flexibility that alcohol-to-go sales provide for California's hospitality community is essential. Since the establishment of the underlying law, a shift in patrons' dining habits and expectations has resulted in it becoming a crucial part of many neighborhood restaurants', breweries, wineries, and craft distilleries' operations. AB 2663 simply extends SB 389's expiration, continuing the current and successful law while maintaining strong safeguards. AB 2663 is a timely and reasonable proposal; failing to extend this measure would eliminate an effective tool that supports neighborhood restaurants and help meet consumer demand."

Arguments in Opposition

None on file

FISCAL COMMENTS

According to the Assembly Committee on Appropriations analysis, "Minor and absorbable costs to ABC to continue education and enforcement efforts regarding takeout sales of alcoholic beverages. This committee sees a wide array of bills that propose to modify the scope of alcohol laws. Generally, the majority of proposals do not generate significant new workload for ABC,

but taken together, these proposals could lead to significant new costs and future budget requests. In this case, however, ABC has received relatively few complaints related to this privilege, despite applying to over 35,000 licensees."

VOTES

ASM GOVERNMENTAL ORGANIZATION: 22-0-0

YES: Blanca Rubio, Davies, Alvarez, Berman, Bryan, Carrillo, Dixon, Fong, Gabriel, Gallagher, Gipson, Macedo, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Valencia, Wallis

ASM APPROPRIATIONS: 13-0-2

YES: Wicks, Hoover, Arambula, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Solache, Ta, Tangipa

ABS, ABST OR NV: Calderon, Muratsuchi

UPDATED

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