

CONCURRENCE IN SENATE AMENDMENTS

AB 2663 (Rogers)

As Amended June 10, 2026

2/3 vote. Urgency

SUMMARY

This bill would extend until December 31, 2029, 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.

Senate Amendments

Change the sunset date from December 31, 2031 to December 31, 2029.

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 three years (sunset date) until December 31, 2029.

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 small family-run businesses that adapted 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

According to the California Restaurant Association, "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 patron's dining habits and expectations have resulted in becoming a crucial part of many neighborhood restaurants, breweries, wineries, and craft distiller's operations. AB 2663 is both timely and reasonable – without this extension, the authorization is set to expire on December 31, 2026, which would eliminate a widely used and effective tool that supports neighborhood restaurants and helps meet consumers' demands."

Arguments in Opposition

None on file.

FISCAL COMMENTS

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

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

ASSEMBLY FLOOR: 67-0-13

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Berman, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Fong, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Solache, Soria, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Bains, Bennett, Boerner, Bonta, Bryan, Ellis, Flora, Gabriel, Macedo, Petrie-Norris, Celeste Rodriguez, Sharp-Collins, Stefani

SENATE FLOOR: 39-0-1

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Reyes

UPDATED

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