

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 720 Author:(Rogers)

As Amended Ver:September 5, 2025

Majority vote

SUMMARY

This bill delays the requirements for labeling as part of the Beverage Container Recycling Program (Bottle Bill) for beverage containers including wine and distilled spirits, which were added to the Bottle Bill program by January 1, 2024. This bill also clarifies that the storage of wine or topping of wine barrels does not constitute offsite production or manufacturing by a licensed winegrower or brandy manufacturer. Additionally, this bill authorizes a licensed winegrower to apply for, and for the Department of Alcoholic Beverage Control (ABC) to issue an estate tasting event permit (Type 93) that would allow the licensee to exercise its tasting room privileges at either a property adjacent to the licensed premises or a nonadjacent vineyard that is owned by the licensee, as specified. Finally, the bill clarifies that the holder of a winegrower's license and a brandy manufacturer's license for the same premises, where one license is a master license and the other is a branch license, to store, age, conduct brandy tastings, and engage in sales for off-premises consumption, as specified.

Senate Amendments

- 1) Extend the delay on the requirement that beverage containers added to the Bottle Bill through SB 1013 be labeled according to those requirements from July 1, 2025 to July 1, 2026.
- 2) Extend the exemption from labeling requirements for beverage containers that added to the program by January 1, 2024 for bottles that were filled and labeled before January 1, 2024, to include beverage containers filled and labeled before July 1, 2025.
- 3) Establish specific criteria for Bottle Bill QR code labels on beverage containers, including that the label shall be ½ inch in size.
- 4) Authorize manufacturers to etch CRV labels on beverage containers.
- 5) Provide a winegrower licensee may apply to the ABC for a Type 93. If approved by the department, the permit issued to the winegrower licensee shall authorize the winegrower to exercise its tasting room privileges for wine manufactured by or for the winegrower on both of the following:
 - a) Property adjacent to the licensed premises and owned by or under the control of the licensee.
 - b) A nonadjacent vineyard that is owned by or under control of the licensee.
- 6) Provide approval of the permit shall grant the licensee all of the same privileges allowed under their license for the duration of the estate tasting event. Provide for each tasting event, consent shall be first obtained by the licensee from the ABC in the form of an estate tasting event authorization from the department, and establishes related criteria. Prohibit an estate tasting event authorization from being issued for more than 36 events per licensee per calendar year.

- 7) Clarify that an estate tasting event authorization does not relieve the applicant of review and approval by the local jurisdiction for any other permit necessary to host such an event, as described.
- 8) State that if a winegrower's license and a brandy manufacturer's license are held under identical ownership at the same premises, where one of the licenses is a master license and the other license is a branch license, the licensee may store, age, conduct tastings, as defined, and engage in sales to consumers for consumption off the premises.

COMMENTS

Background.

Bottle Bill Information. The Bottle Bill was established by the Legislature in 1986, with the twin goals of reducing litter and achieving a recycling rate of 80% for containers in the program. In 2023, the recycling rate for bottles in the program was 70%. This rate of recycling is only slightly higher than it was during the COVID-19 pandemic, where it dipped from higher than 75% in 2016-2019 down to 68% in 2021.

In broad strokes, the program operates by adding a small CRV (between 5-25 cents per container) on beverages which consumers pay at check out, and can then be redeemed when the bottles are brought to a collection site or recycling center in the program. The CRV incentivizes consumers and businesses to bring bottles back into the recycling system, reducing the likelihood of bottles ending up as litter or in a landfill.

More Recent Additions to the Bottle Bill. The Bottle Bill has historically included most glass, aluminum, and plastic beverage containers for water, beer, soda, sports drinks, fruit juice, tea, and coffee. Recent legislation expanded the Bottle Bill to include wine and distilled spirits, including alcoholic beverages in boxes, pouches, or bladders SB 1013, (Atkins, Chapter 610, Statutes of 2022). These containers were added to the program January 1, 2024. Fruit juice containers of 46 ounces or more and vegetable juice containers over 16 ounces were also recently added to the program beginning on January 1, 2024 (SB 353 Dodd, Chapter 868, Statutes of 2023).

As part of being included in the Bottle Bill, beverage containers are required to be labeled as such and include the CRV. SB 1013 specifically authorized the use of QR codes for labeling, which can be an effective way to communicate more information with less space. That can be useful, especially if a beverage container needs to meet numerous different or overlapping labeling requirements, such as might occur if the bottle is sold in numerous states and countries or must meet both state and federal labeling requirements.

Amendments to this Bill. This bill make several changes to the Bottle Bill to address labeling requirements for wine, spirits and other bottles that were recently added to the bottle bill (by January 1, 2024). The amendments to AB 720 delay the timeline on which these newly-added beverage containers must be labeled. Bottles that were added to the program in 2024 must now be labeled by July 1, 2026, instead of July 1, 2025. Likewise, the date by which already filled and labeled bottles can skip out on meeting the new labeling requirements was extended from January 1, 2024 (the date when the bottles were officially included in the program) until July 1, 2025. The delays will give newly added beverage containers more time to comply with the labeling requirements of SB 1013 of 2022. While delays in labeling bottles with CRV also delays

the opportunity for consumers to recognize and return these bottles for their redemption value, the delays in labeling are responsive to delays in CalRecycle implementing the SB 1013 regulations.

In addition to delaying labeling requirements, the bill also adds specificity on what those labels look like. This includes specifications that the QR code label be at least one half inch in size. According to proponents of the bill, some industry partners have already begun formatting labels meeting these criteria, which could entail changing over labeling equipment and labeling bottles. While it is unusual for statute to include the level of implementation specificity that AB 720 adds for labeling requirements, the intent is to align with industries that have already prepared labels that meet these criteria and prevent a scenario in which they have to change over their labels again.

A California Winegrower License (Type 2). This license authorizes the sale of wine and brandy to any person holding a license authorizing the sale of wine and brandy, and to consumers for consumption off the premises where sold or on premises owned (bona fide eating place) by the licensee that are contiguous to the licensed premises and operated by and for the licensee. Wine must be made from the fermentation of agricultural products to which may be added brandy that is distilled from the same agricultural product from which the wine is made. Thus, neutral grain or other distilled spirits cannot be used to fortify wine – only brandy of a specific type. No more than 15% added flavoring or blending material may be added. (BPC § 23007). A Type 2 license may conduct wine tastings under prescribed conditions, as defined.

Wineries holding a Type 02 license may obtain what is known as a Duplicate Type 02 license, which allows a winery to have a tasting room away from the facilities where the wine is made. Some wineries have tasting rooms both at the facility where they produce their wine and a tasting room at a different location. Either way, a winery may have no more than two off-site tasting room regardless of whether that winegrower is a bonded winery or a winery operating under an alternating proprietorship agreement. Currently, out of 6,837 total winegrower licenses in the state, there are 1,821 duplicate winegrower licenses.

ABC take on topping off barrels. Recently, the ABC has interpreted the practice of topping off barrels as a production activity. This means that if Type 02 license holders have their barrel storage facility located on a separate property from their production facility, they could face administrative penalties for noncompliance with their license type if the activity at the barrel storage facility involves topping off barrels.

If a Type 02 licensee is unable to obtain another Type 02 license for the barrel storage facility, the ABC advises them to obtain a Type 22 Wine Blender license. However, a winery holding a Type 22 license forfeits its eligibility to hold a retail license that they would otherwise qualify for. This is because Type 02 license holders benefit from a tied-house exemption, which allows wineries to hold certain retail licenses (such as a Type 47 – restaurant license). Since the Type 22 license does not offer this exemption, the more restrictive license type prevails, causing the winery to lose this privilege.

Among other provisions, AB 720 clarifies that storing wine or topping off wine barrels does not qualify as offsite production or manufacturing by a licensed winegrower or brandy manufacturer.

Caterer's Permit (Type 58). A California Department of Alcoholic Beverage Control (ABC) Type 58 license is a Caterer's Permit that allows a licensed permanent food and/or beverage

retailer to serve alcohol at events held away from their established licensed premises. This permit is an addition to their primary permanent license and authorizes alcohol service at specific events like weddings, corporate functions, or private gatherings, for which a separate catering authorization must be obtained for each event. There is a limit of 36 catered events per year at any given location. All licensees wishing to cater alcoholic beverages must obtain prior written authorization from the ABC for each event.

Last year, Governor Newsom signed AB 2174 (Aguiar-Curry, Chapter 308, Statutes of 2024) that allows a licensed beer manufacturer to apply for, and the ABC to issue, a beer caterer's permit, which would allow the licensed beer manufacturer to sell beer manufactured by the licensee at specified locations and events, as specified.

This bill would similarly authorize a licensed winegrower to apply for, and for the ABC to issue an estate tasting event permit (Type 93) that would authorize the winegrower to exercise its tasting room privileges at either property adjacent to the licensed premises or a nonadjacent vineyard that is owned by the licensee, as specified.

According to the Author

According to the author, "AB 720 is crucial for small, family-owned wineries that rely on traditional winemaking processes, including the aging and storage of wine in wooden barrels. This bill will provide clarification that the practice of 'topping off', or replacing evaporated wine in the storage barrels during the aging process, is not misclassified as a production activity, allowing this essential process to continue without unnecessary penalties."

Furthermore, the author's office argues that, "the bill will allow winegrowers to hold a permit similar to a 'beer caterer's permit', allowing winegrowers to host tasting events outside the licensed premises on their property (essentially a 'pop-up tasting'), increasing customer interaction opportunities. Picture the beauty and interaction of having a tasting outside among the very vines that produced the wine you are drinking, rather than inside. These reforms can help a cherished industry in my district, which, like many others right now, is facing economic uncertainty."

Arguments in Support

According to a coalition of supporters, this bill "According to a coalition of supporters, "SB 1013 (Atkins of 2022) added for the first time wine and distilled spirits containers into California's Beverage Container Recycling Program (Bottle Bill). That legislation established July 1, 2025 as the date for wine and distilled spirits bottles to be compliant with the general Bottle Bill labeling requirements. Upon enactment of SB 1013, the wine and distilled spirits industries collaborated with CalRecycle to redesign their labels for Bottle Bill compliance, a complex task given that these industries use thousands of different labels across their product lines. Unfortunately, CalRecycle's regulations governing these labeling requirements are still in the formal rulemaking process and were not finalized prior to the compliance deadline (July 1, 2025). AB 720 extends the labeling compliance date by one year in order to allow the regulations to become effective and allow proper labels to be printed and affixed to the bottles."

Arguments in Opposition

None on file.

FISCAL COMMENTS

Unknown.

VOTES:**ASM GOVERNMENTAL ORGANIZATION: 19-0-3**

YES: Blanca Rubio, Davies, Berman, Bryan, Carrillo, DeMaio, Dixon, Fong, Gipson, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Sanchez, Solache, Soria, Ta, Valencia, Wallis

ABS, ABST OR NV: Alvarez, Gabriel, McKinnor

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hadwick, Hart, Pacheco, Solache, Ta

ABS, ABST OR NV: Pellerin

ASSEMBLY FLOOR: 75-0-4

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Chen, Gallagher, Harabedian, Lackey

SENATE FLOOR: 40-0-0

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, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

UPDATED

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