
SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

Senator Susan Rubio

Chair

2025 - 2026 Regular

Bill No: SB 1195 **Hearing Date:** 4/14/2026
Author: Rubio
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Urgency: No **Fiscal:** Yes
Consultant: Felipe Lopez

SUBJECT: Tied-house exceptions: advertising: Counties of Los Angeles, San Bernardino, and San Diego

DIGEST: This bill authorizes specified alcoholic beverage licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant at 11 specified facilities in southern California, as specified.

ANALYSIS:

Existing law:

- 1) Establishes the Department of Alcoholic Beverage Control (ABC) and grants it exclusive authority to administer the provisions of the ABC 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 and the collection of license fees for this purpose.
- 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) Prohibits, in general, a manufacturer, winegrower, manufacturer's agent, rectifier, distiller, bottler, importer, or wholesaler, or any officer, director or agent of any such person from owning, directly or indirectly, any interest in any on-sale license.

- 4) Prohibits, in general, a manufacturer, winegrower, distiller, bottler, or wholesaler, among other licensees, or agents of these licensees, from paying a retailer for advertising.
- 5) Provides a variety of exceptions from the advertising prohibition, including permitting specified licensees to purchase advertising space and time from, or on behalf of, an on-sale retail licensee that is an owner, manager, or major tenant of certain stadiums, parks, entertainment complexes, and arenas, subject to specified conditions.

This bill:

- 1) Authorizes a beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer's agency to purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to various conditions at the following locations:
 - a) An indoor convention center complex and arena that is 400,000 square feet and used for conventions, trade shows, concerts, and sporting events located in the City of Long Beach in the County of Los Angeles (Long Beach Convention Center Complex).
 - b) An outdoor amphitheater, which is 10,000 to 12,000 square feet, to be used for live performances and owned by the City of Long Beach in the County of Los Angeles (Long Beach Bowl Amphitheater).
 - c) An indoor convention center that is 225,000 square feet and used for conventions, trade shows, and meeting space located in the City of Ontario in the County of San Bernardino (Ontario Convention Center).
 - d) An outdoor ballpark and sports complex with 6,000 seats, to be used for a minor league baseball affiliate of the Los Angeles Dodgers and to include other fields and courts, an aquatics center, and retail and dining areas located in the City of Ontario in the County of San Bernardino (Ontario Ballpark).
 - e) An indoor theater with 500 seats and used for live music, entertainment, educational programs, and community events located in the City of Fontana in the County of San Bernardino (Stage Red Theatre).
 - f) An outdoor stadium and hangar with 5,300 seats and used for soccer with club seats, suites, and a beer garden located in the City of Lancaster in the County of Los Angeles (Lancaster Municipal Stadium).
 - g) An indoor theater with 1,000 seats and used for live music and performing arts located in the City of Ontario in the County of San Bernardino (Granada Theatre).
 - h) An open-air amphitheater with 5,900 seats and used for live performances located within the County of Los Angeles (Greek Theatre).

- i) A 75-acre horse show complex with indoor and outdoor horse show and event areas and facilities owned by the City of Los Angeles and located within the County of Los Angeles (Los Angeles Equestrian Center).
 - j) An indoor arena with 16,000 seats and used for concerts, sporting events, and other shows located in Midway District neighborhoods of the City of San Diego in the County of San Diego (Pechanga Arena).
 - k) An arena with 11,000 seats and used for concerts, other shows, and sporting competitions, including ice hockey league and soccer league located in the City of Ontario in the County of San Bernardino (Toyota Arena).
- 2) Makes legislative findings and declarations as to the necessity of a special statute, as specified.
 - 3) Makes various technical and clarifying changes.

Background

Author Statement. According to the author's office, "currently, the Legislature has recognized that certain venues, such as stadiums, arenas, and entertainment complexes operate under unique business models that rely on sponsorship and advertising partnerships to support operations and events. For that reason, California law already includes numerous statutory exceptions allowing specified venues to enter into these types of arrangements. SB 1195 continues that well-established approach by authorizing alcoholic beverage licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant at specified facilities in Los Angeles, San Bernardino, and San Diego."

Further, "this bill does not create a new policy concept. Rather, it extends an existing and familiar exception to additional venues that are similarly situated to many others already granted this authority under state law. SB 1195 promotes consistency, fairness, and economic opportunity for these facilities while preserving the core protections of California's Tied-House laws. This bill will grant additional opportunities for local economic development in SD 22 as well as other key locations across the state."

Tied-House Laws. Tied-house laws generally prohibit suppliers and retailers from sharing common owners and legally restrict alcohol beverage suppliers' ability to gain control over retailers through indirect means. The original policy rationale for this body of law was to: (1) promote the state's interest in an orderly market; (2) prohibit the vertical integration and dominance by a single producer in the marketplace; (3) prohibit commercial bribery and to protect the public from

predatory marketing practices; and (4) discourage and/or prevent the intemperate use of alcoholic beverages.

These provisions prohibit a manufacturer from paying for advertising space at any facility where the facility is licensed to sell alcoholic beverages. Over the years, numerous exceptions to this prohibition have been added to a number of stadiums, parks, entertainment complexes, and arenas. Some examples are Levi's Stadium in Santa Clara, Oakland Coliseum in Oakland, Honda Center in Anaheim, Kern County Arena in Bakersfield, the National Orange Show Events Center in San Bernardino, Auto Club Speedway, (formerly California Speedway) in Fontana, Grizzly Stadium in Fresno, Sutter Health Park in West Sacramento, SAP Center in San Jose, Dignity Health in Carson, and numerous other venues.

This bill will similarly provide exceptions to this prohibition to the following venues:

- 1) *Long Beach Convention Center Complex*. The Long Beach Convention Center Complex is a large, city-owned convention and entertainment indoor complex that is used for conventions, trade shows, concerts and sporting events. The anchor venue, the Long Beach Arena, has seating capacity of approximately 13,000 to 14,500 depending on configuration.
- 2) *Long Beach Bowl Amphitheater*. Set to open on June 6, 2026, the Long Beach Bowl Amphitheater is a new 11,000 to 12,000-seat waterfront venue near the Queen Mary. It will primarily be used for concerts and performances.
- 3) *Ontario Convention Center*. The Ontario Convention Center is a city-owned 225,000 square feet, indoor facility that is primarily used for trade shows and meetings. It has a flexible, non-fixed seating capacity depending on the layout of the specific event.
- 4) *Ontario Ballpark*. Set to open in April 2026, the Ontario Ballpark is a minor league baseball stadium. The 6,000-seat stadium, will be the home of the Ontario Tower Buzzers, the Single-A affiliate of the Los Angeles Dodgers.
- 5) *Stage Red Theatre*. Located in San Bernardino County, the Stage Red Theatre, is an indoor small performing arts venue focused on live theater productions.
- 6) *Lancaster Municipal Stadium*. Located in Los Angeles County and also known as "the Hangar," the Lancaster Municipal Stadium is a minor league-style baseball stadium. It has hosted teams like the Lancaster JetHawks and is currently the home to a lower-division soccer club.

- 7) *Granada Theatre*. Located in Ontario California, the Granada Theatre is an indoor 1,000-seat venue that is primarily used for performances and events.
- 8) *Greek Theatre*. Located in Los Angeles County, the Greek Theatre is an open-air amphitheater, used for live performances in Griffith Park. The seating capacity is generally in the low thousands or below.
- 9) *Los Angeles Equestrian Center*. Located in Los Angeles County, the Los Angeles Equestrian Center is a specialized equestrian facility used for horse shows and events. Its main arena seats about 3,5000 people and is located in Griffith Park.
- 10) *Pechanga Arena*. Located in San Digo County, Pechanga Arena is a multi-purpose arena that is used for concerts, sporting events and other shows.
- 11) *Toyota Arena*. Located in Ontario, the Toyota Arena is a modern multi-purpose arena with a capacity of about 11,000 seats. It is the current home to the Ontario Reign of the American Hockey League and the Empire Strykers of the Major Arena Soccer League.

Current Safeguards. Tied-house advertising exception bills – such as this bill – generally include a consistent set of safeguards designed to prevent alcohol manufacturers and wholesalers from exerting undue influence over retailers. These bills typically limit any exception to narrowly defined, venue-specific, such as stadiums, arenas, or fairgrounds. A core safeguard is that any permitted advertising must be tied directly to events occurring at the venue, rather than general promotion of the retailer, and is frequently restricted to certain types of events like sports or entertainment. Placement of restrictions are also common ensuring that advertising does not appear inside unrelated licensed premises – such as bars or restaurants within a larger complex – and is instead confined to approved areas like the venue itself.

In addition, these bills usually require that retailers continue to offer competing brands, preventing exclusive arrangements that could distort market competition. Advertising agreements must be conducted in accordance with written contracts, promoting transparency and enabling regulatory oversight. Anti-coercion provisions are another key feature, making clear that retailers cannot require or pressure suppliers to purchase advertising, with violations subject to criminal penalties. Overall, these safeguards reflect an effort to allow for modern advertising practices while maintaining the core protections of California’s tied-house laws.

Prior/Related Legislation

SB 392 (Bradford, Chapter 604, Statutes of 2023) authorizes specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant of a fully enclosed arena with a seating capacity of at least 18,000 seats located in the City of Inglewood (Intuit Dome), as specified.

AB 840 (Addis, Chapter 346, Statutes of 2023) authorizes specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenants at various facilities that are situated on California State University campuses located in the Counties of San Luis Obispo, Fresno, Monterey, Orange, Santa Clara, and Los Angeles, as specified.

SB 1280 (Hueso, Chapter 304, Statutes of 2022) authorizes specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant at specified facilities on the campus of San Diego State University.

AB 98 (Kalra, Chapter 267, Statutes of 2022) authorizes specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant of a fully enclosed arena with a fixed capacity in excess of 4,000 seats located in the City of San Jose (Tech CU Arena).

AB 1323 (Haney, Chapter 271, Statutes of 2022) authorizes specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant of an on-sale retail licensed premises configured with theatrical seating of at least 1,600 seats but no more than 2,400 seats in the City and County of San Francisco (Curran Theater), as specified.

AB 1330 (Mayes, Chapter 272, Statutes 2022) authorizes specified licensees to purchase advertising space and time from, or on behalf of, an on-sale licensee that is the owner, manager, or major tenant at a fully enclosed arena with a fixed capacity in excess of 10,000 seats located in the County of Riverside (Acrisure Arena).

SB 386 (Umberg, Chapter 309, Statutes of 2021) authorizes specified alcohol licensees to sponsor events promoted by, and to purchase advertising space and time from, or on behalf, an on-sale licensee that is the owner, operator agent of the operator, or sole assignee or the operator's advertising rights of a mixed-use district located in the County of Orange (ocV!BE), as specified.

AB 3139 (Gray, Chapter 175, Statutes of 2020) among other things, extended a current tied-house exception to the Orpheum and Golden Gate Theater in the City and County of San Francisco.

AB 2000 (Kalra, Chapter 483, Statutes of 2018) extended an existing exception in the ABC Act pertaining to the general prohibition against advertising arrangements between retail, wholesale, and manufacturer licensees to include an outdoor professional sports stadium with a fixed seating capacity of at least 3,000 seats located in the City of San Jose (San Jose Municipal Stadium – minor league baseball San Jose Giants), and an outdoor professional sports stadium with a fixed seating capacity of at least 15,000 seats located in the City of San Jose (Avaya Stadium – San Jose Earthquakes).

AB 2146 (Gloria, Chapter 487, Statutes of 2018) extended an existing exception in the ABC Act pertaining to the general prohibition against advertising arrangements between retail, wholesale, and manufacturer licensees to include an outdoor stadium with a fixed seating capacity of at least 43,000 seats located in the City of San Diego (Petco Park – San Diego Padres).

SB 664 (Dodd, Chapter 486, Statutes of 2017) extended an existing exception in the ABC Act pertaining to the general prohibition against advertising arrangements between retail, wholesale, and manufacturer licensees to include an outdoor stadium (AT&T Park – the home of the San Francisco Giants) and an indoor arena (Chase Center – the home of the Golden State Warriors) with specified seating capacities located in the City and County of San Francisco.

AB 1724 (Jones-Sawyer, Chapter 478, Statutes of 2017), among other things, extended an existing exception in the ABC Act pertaining to the general prohibition against advertising arrangements between retail, wholesale, and manufacturer licensees to include a specified outdoor stadium located in the City of Los Angeles (Banc of California Stadium, the future home of the Los Angeles Football Club).

SB 582 (Bradford, Chapter 672, Statutes of 2017) allows beer manufacturers, winegrowers, distilled spirits rectifiers, distilled spirits manufacturers, or distilled spirits manufacturer's agents to purchase advertising space and time from, or on behalf of, on-sale retail licensees at a specified stadium (The Los Angeles Stadium at Hollywood Park) and performance venue located in the City of Inglewood.

SB 1105 (Mendoza, 2016), among other things, would have authorized the Department of ABC to issue a general on-sale license for a sports entertainment facility bona fide public eating place that would allow the licensee to sell beer,

wine, and distilled spirits at retail for consumption on the premises in a sports entertainment facility, as defined. (Never heard in the Assembly Governmental Organization Committee)

AB 1971 (Cooper, 2016) would have created a stand-alone tied-house exception in the ABC Act to allow holders of manufacturer licenses, as specified, to purchase advertising from retail licensees at outdoor stadiums and indoor arenas, subject to specified conditions. (Died on the Senate Inactive File)

AB 2096 (Low, 2016) would have added leased premises to a specified condition in law that allows designated licensees to purchase advertising space or time from, or on behalf of, an on-sale retail licensee in connection with events which are held on the premises of an exposition park, stadium, or arena owned by the on-sale licensee. (Never heard in the Assembly Governmental Organization Committee)

AB 866 (E. Garcia, 2016) would have extended an existing tied-house exception in the ABC Act pertaining to the general prohibition against advertising arrangements between retail, wholesale and manufacturer licensees to include outdoor stadiums with specified seating capacities located in the Cities of Inglewood and San Diego. (Died on the Senate Inactive File)

AB 527 (Dodd, Chapter 517, Statutes of 2015) created a new tied-house exception in the ABC Act that authorizes certain alcoholic beverage licensees to sponsor a limited number of events promoted by or to purchase advertising space and time from, or on behalf of, a live entertainment marketing company that conducts live artistic, musical, sports, food, beverage, culinary, or other cultural entertainment events at venues located solely in the County of Napa, under specified conditions.

SB 557 (Hall, Chapter 420, Statutes of 2015) extended an existing tied-house exception pertaining to the general prohibition against advertising arrangements between retail, wholesale and manufacturer licensees to include a fairgrounds with a horse racetrack and equestrian and sports facilities located in San Diego County.

SB 462 (Wolk, Chapter 315, Statutes of 2015), among other things, extended an existing tied-house exception pertaining to the general prohibition against advertising arrangements between retail, wholesale and manufacturer licensees to include a specified entertainment complex, known as the Green Music Center, located on the campus of Sonoma State University.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

City of Ontario
Ontario Convention Center
ONT Field
Toyota Arena

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the City of Ontario, “this measure is especially important for the City of Ontario. The city is home to a growing cluster of regional destinations, including a large-scale arena, convention center, and newly developed minor league ballpark. These venues collectively serve hundreds of thousands of visitors each year and play a central role in driving tourism, economic activity, and job creation throughout the Inland Empire. However, current restrictions limit their ability to fully participate in sponsorship markets that are commonly available to comparable facilities elsewhere in the state. By modernizing these restrictions in a limited and thoughtful way, SB 1195 will support local economic development, enhance regional entertainment infrastructure, and provide Ontario’s publicly supported venues with tools already available to their counterparts across California.”