

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

SB 1195 (Rubio) – As Amended June 17, 2026

**SENATE VOTE:** 38-0

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

**SUMMARY:** This bill would authorize designated alcoholic beverage licensees (including beer manufacturer, winegrower, rectifier, craft distiller, distilled spirits manufacturer or their agent) to purchase advertising space and time from, or on behalf of, an on-sale retail licensee that is the owner, manager, or major tenant at 5 designated facilities that are located in the Counties of Los Angeles, San Bernardino, and San Diego, subject to specified conditions. Specifically, **this bill:**

1) Authorizes a beer manufacturer, the holder of a winegrower's license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer's agent may 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 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).
- d) 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).
- e) 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 various technical and clarifying changes.

3) Makes various legislative findings and declarations.

**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, (referred to as the “tied-house” law or “three-tier” system), of manufacturer (including breweries, wineries and distilleries), wholesaler, and retailer (both on-sale and off-sale). The original policy rationale for this body of law was to: (a) promote the state’s interest in an orderly market; (b) prohibit the vertical integration and dominance by a single producer in the marketplace; (c) prohibit commercial bribery and to protect the public from predatory marketing practices; and, (d) discourage and/or prevent the intemperate use of alcoholic beverages. 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.
- 6) 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, such as outdoor stadiums, with prescribed fixed seating capacities, which are situated on the campus of San Diego State University (SDSU), including the SDSU Mission Valley site, located in San Diego County, as defined. (California Business and Professions Code § 25503.6)
- 7) 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 various facilities situated on California State University (CSU) campuses and three facilities located at St. Mary's College of California, as specified.

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

**COMMENTS:**

Purpose of the bill. According to the author, this bill “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. This bill 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.”

**Background.**

Tied-house laws. State and federal laws generally prohibit certain relationships among those who

produce, distribute, and sell alcoholic beverages. The term “Tied-house” is derived from a common practice in England whereby a bar or public house was “tied”—by ownership, contractual obligations, or other influences—to a specific manufacturer. In some instances, that model encouraged intemperance in alcohol consumption. This was because retailers would offer manufacturers generous favors, such as expensive business meals and gifts. In order to recoup these costs, aggressive product promotion was needed. Manufacturers sometimes used their influence to force tied houses to sell their products and exclude products from other manufacturers.

As a result, after the repeal of prohibition in 1933, California’s current “three-tier” system was introduced. This body of law was initially created to: a) promote the state’s interest in an orderly market; b) prohibit vertical integration and dominance by a single producer in the market place; c) stop commercial bribery and safeguard the public from predatory marketing techniques; d) discourage and/or prevent intemperate drinking. 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, several 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, Arrowhead Pond Arena 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, Raley Field in West Sacramento, HP Pavilion in San Jose, StubHub Center (formerly the Home Depot Center) in Carson, and many other venues.

This bill would similarly provide a Tied-house exemption to the following venues in the state:

- 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) 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.
- 4) Pechanga Arena. Located in San Digo County, Pechanga Arena is an indoor arena in San Diego, California. Opened in 1966, it is an example of New Formalism architecture and has been designated by the City of San Diego as a historic resource. The arena has been home to numerous athletic teams in various sports. It is the home of the San Diego Gulls of the American Hockey League and the San Diego Seals of the National Lacrosse League.

- 5) 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 measures 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.

In support. The City of Ontario writes, “SB 1195 provides a practical and targeted update to longstanding tied-house laws by allowing alcohol manufacturers to purchase advertising and sponsorship opportunities at qualifying venues under clearly defined conditions. As outlined in the bill, these exceptions have already been extended to numerous major venues across California, reflecting a well-established policy framework that supports modern entertainment economies while maintaining appropriate safeguards. Local operators have made clear that expanding access to sponsorship agreements, particularly with alcohol manufacturers, would provide a critical, flexible revenue stream to support ongoing operations, event programming, and long-term financial sustainability. Aligning Ontario’s venues with existing statutory exceptions will help ensure they remain competitive and able to attract high-quality events and partnerships.”

Supporters of this bill note that SB 1195 does not alter the fundamental safeguards of California’s tied-house laws. All advertising arrangements would remain subject to existing requirements, including written agreements and prohibitions against coercive practices, preserving the state’s interest in maintaining a fair and orderly marketplace. By modernizing these restrictions in a limited and targeted manner, this bill would support local economic development, strengthen regional entertainment infrastructure, and provide designated venues with an advertising tool already available to other entertainment venues throughout California.

In opposition. Alcohol Justice, “knowing how vulnerable young Californians are to the most cynical of advertising strategies, efforts to prop up venues by selling alcohol ads are essentially auctioning off kids’ lifelong health outcomes. In light of that, and the outsized alcohol harm currently threatening the state, there needs to be a moratorium on ad hoc exemptions, including the ones sought in this bill. In fact, it would provide extensive benefits were the ones already granted to be, cautiously and with advanced warning for the operators affected, reversed.”

Oppose, unless amended. The California Craft Brewers Association writes, “this bill would undermine decades of public policy designed to protect and maintain an orderly marketplace and prevent anti-competitive conduct in the alcoholic beverage sector. We respectfully oppose this bill unless it is amended to: 1) include explicit safeguards against pay-to-play or quid pro quo arrangements at venues eligible for the advertising exceptions created by this measure; and 2) ensure that any venues granted exceptions under the bill are consistent with established public policy.”

Policy consideration. The author should consider a committee amendment addressing the general prohibition on payments of money or the giving of a thing of value from a supplier to a retailer, in order to further guard against pay-to-play arrangements and coercive practices in licensed venues that may benefit from the tied-house exception created under this measure. The adopted committee amendment would declare the following:

*1) No on-sale licensee specified in this section may solicit any beer manufacturer, holder of a winegrower’s license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer’s agent to enter into any agreement otherwise authorized by this section for the purpose of, or that includes any provision requiring, directly or indirectly, the purchase or sale or prioritization of the sale or promotion of any specific alcoholic beverage product or brand, or to displace, remove, or exclude any competing alcoholic beverage product or brand.*

*2) No beer manufacturer, holder of a winegrower’s license, a rectifier, a craft distiller, a distilled spirits manufacturer, or distilled spirits manufacturer’s agent shall enter into any contract or agreement authorized by this section that requires, directly or indirectly, that the on-sale retail licensee purchase or sell or to prioritize the sale or promotion of any specific alcoholic beverage product or brand, or to displace, remove, or exclude any competing alcoholic beverage product or brand.*

Prior Legislation. AB 3069 (Davies), Chapter 429, Statutes of 2024. Authorized alcohol manufacturers (including beer manufacturers, winegrowers, rectifiers, craft distillers, distilled spirits manufacturers or their agents) to purchase advertising space and time from, or on behalf of, an on-sale retail licensee that is the owner or operator of a fully enclosed arena with a fixed seating capacity in excess of 5,000 seats located in the City of Oceanside.

SB 392 (Bradford), Chapter 604, Statutes of 2023. Authorized 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. Authorized 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.

AB 1294 (Boerner), Chapter 471, Statutes of 2023. Established a tied-house exception that authorizes specified alcohol manufacturers to purchase advertising space and time from, or on behalf of, a company that owns a facility that includes a wave basin located in Kings County in connection with activities conducted on the premises of a permanent retail licensee located at the

wave basin facility. Advertising and sponsorships authorized by this bill must comply with specified requirements.

SB 1280 (Hueso), Chapter 304, Statutes of 2022. Allowed 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 (SDSU).

AB 98 (Kalra), Chapter 267, Statutes of 2022. Authorized 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 4,000 seats located in the City of San Jose (Tech CU Arena).

AB 1323 (Haney), Chapter 271, Statutes of 2022. Allowed 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 Theatre), as specified.

AB 1330 (Mayes), Chapter 272, Statutes of 2022. Authorized 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. Authorized 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 2000 (Kalra), Chapter 483, Statutes of 2018. Extended an existing exception in the 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 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).

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Travel Association (CALTRAVEL)  
Greater Stockton Chamber of Commerce  
City of Ontario

**Oppose**

Alcohol Justice

California Alcohol Policy Alliance

California Council on Alcohol Problems (CCAP)

**Oppose Unless Amended**

California Craft Brewers Association

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