Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1195 (Rubio) – As Amended June 30, 2026

Policy Committee: Governmental Organization Vote: 20 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill extends to five specific venues across Southern California an existing tied-house exception that allows certain licensees regulated by the Department of Alcoholic Beverage Control (ABC) to purchase advertising space and time from an on-sale retail licensee.

As a condition of the exception, this bill also prohibits a licensee from soliciting or entering into a contract or agreement that prioritizes the sale or promotion of a specific alcoholic beverage product or brand.

FISCAL EFFECT:

Minor and absorbable costs to ABC for related enforcement.

This committee sees a wide array of bills that propose to modify the scope of alcohol laws. Taken together, these proposals could lead to significant new costs and future budget requests. In this case, however, similar tied-house exceptions previously granted to other venues have not resulted in significant workload for ABC.

COMMENTS:

1) **Purpose.** The author contends that "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." According to the author, this bill continues the "well-established approach" of such arrangements between ABC licensees at specified facilities in Los Angeles, San Bernardino, and San Diego.

2) **Background.** ***Tied-house Law.*** California's tied-house law prevents the vertical integration of the alcohol industry by keeping the manufacturer, wholesaler, and retailer separated. Generally, unless otherwise authorized, one type of license holder is not permitted to do business as another type of licensee, and licensees are prohibited from directly or indirectly giving away anything of value, such as free goods, services, or advertising, in connection with the sale or distribution of an alcoholic beverage.

   Another Exception. Over the years, numerous exceptions to this tied-house prohibition have been added for arenas and stadiums, such as those for Chase Stadium and Petco Park, allowing sponsorship deals with alcohol manufacturers and distributors. Current exceptions also exist for numerous facilities serving or on the premises of California's colleges, such as the Los Angeles Memorial Coliseum (home to USC football) and over a dozen facilities across the California State University system, and entertainment attractions such as a mixed-use district in Orange County and a wave basin facility in Kings County. This bill adds to the exception another five venues: (a) Long Beach Convention Center Complex, (b) Long Beach Bowl Amphitheater, (c) Lancaster Municipal Stadium, (d) Pechanga Arena, and (e) Toyota Arena. This bill also adds more control language around the exception guarding against pay-to-play arrangements and coercive practices by explicitly prohibiting licensee agreements that prioritize the sale or promotion of a specific brand or product.

3) **Support and Opposition.** This bill is supported by individual venues, regional entities, and the California Travel Association, the latter of which argues this bill would allow "more venues to generate additional revenue streams and put them on equal footing with other venues across the state to help attract a wider variety of sporting events, concerts, and festivals that will serve their communities."

   This bill is opposed by groups concerned about increased consumption of alcohol, with Alcohol Justice arguing, "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."

Analysis Prepared by: Irene Ho / APPR. / (916) 319-2081