SENATE THIRD READING
SB 1195 (Rubio)
As Amended August 20, 2026
Majority vote

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 four designated facilities that are located in the Counties of Los Angeles, San Bernardino, and San Diego, subject to specified conditions.

Major Provisions

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 at least 390,000 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 at least 9.500 square feet, that is 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 arena with at least 15,000 seats that is 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).

   d) An arena with at least 10,000 seats that is 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) Prohibits an on-sale licensee from soliciting specified ABC licensees to enter into an agreement, as specified, that, among other things, includes a provision requiring, among other things, the prioritization of the sale or promotion of a specific alcoholic beverage product or brand.

3) Prohibits specified ABC licensees from entering into a contract or agreement, as specified, that requires the on-sale retail licensee to, among other things, prioritize the sale or promotion of a specific alcoholic beverage product or brand.

COMMENTS

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) *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.

4) *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.

According to the Author
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.″

Arguments in Support
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.″

Arguments in Opposition
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.″

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, ″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.″

VOTES

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

ASM GOVERNMENTAL ORGANIZATION: 20-0-2
YES: Blanca Rubio, Davies, Alvarez, Bryan, Carrillo, Chen, Dixon, Fong, Gabriel, Gipson, Macedo, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Valencia, Wallis
ABS, ABST OR NV: Berman, McKinnor

ASM APPROPRIATIONS: 15-0-0
YES: Wicks, Hoover, Arambula, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

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

SENATE FLOOR: 38-0-2
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, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Ochoa Bogh, Seyarto

UPDATED

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