SENATE THIRD READING
SB 1273 (Cabaldon)
As Amended August 18, 2026
Majority vote

## SUMMARY

This bill revises advertising prohibitions for certain Department of Alcoholic Beverage Control (ABC) licensees related to instructional tasting events.

**Major Provisions**

1) Expands existing provisions of the Alcoholic Beverage Control Act (Act) governing advertisements by authorized licensees (including winegrowers, licensed beer manufacturers, distilled spirits manufacturers, etc. and their designated representatives) for instructional events held on a retailer's premises. Permits advertisements for authorized instructional events to include videos of up to 60 seconds in length when published in advance of the event, as described.

2) Removes the requirement that the specified information and any pictures, illustrations, or depictions in that advertisement be relatively inconspicuous in relation to the advertisement as a whole.

3) States an authorized licensee, or its designated representative in advance of an authorized instructional tastings event at a retailer's premises, as specified, may list or reference in an advertisement for the instructional event the name, address, telephone number, email address, internet website address, and any other electronic media and pictures, illustrations, videos, and depictions of the retail licensee, the names of the alcoholic beverages (brand names) being featured at the instructional event, and the time, date, and location of, and other information about, the instructional event, and the advertisement may contain pictures, illustrations, videos, and graphical depictions of the retailer's premises, personnel, and customers, subject to specified limitations.

4) Makes technical and clarifying changes.

## COMMENTS

*Background.*

*Tied-House Laws/Three-Tier System.* Tied-house laws separate the alcoholic beverage industry into a three-tier license system (manufacturer, wholesaler, and retailer) and generally prohibit alcoholic beverage licensees from giving any gift in connection with the sale or distribution of an alcoholic beverage. The original policy rationale for this body of law was: 1) promote the state's interest in an orderly market; 2) prohibit the vertical integration and dominance by a single producer in the market place; 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.

Tied-house laws generally prohibit common ownership between suppliers and retailers and restrict alcoholic beverage suppliers from exerting control over retailers through direct or indirect means. Generally, and absent a statutory exemption enacted by the Legislature, a licensee holding one type of license may not operate as another type of licensee within the three-tier system. Over time, the Legislature has enacted limited exceptions to these restrictions in circumstances where it determined that the public interest would remain adequately protected.

*Current authorizations.* Winegrowers, their agents, and wine importers may hold instructional consumer tastings at a retailer's location, but only under specific legal conditions. They may provide small, free samples, since giveaways are otherwise prohibited. Alcohol cannot be sold at the tasting, though they may take orders as long as the actual sale is completed later at their own licensed premises. Current law also allows limited advertising of the event by the licensee, including basic identifying information and still images, but prohibits listing retail prices, making laudatory references to the retailer, using video, or making the retailer's information overly prominent.

This bill expands on provisions in the Act related to advertisements by the wine industry for instructional events for consumers at a retailer's premises. This bill allows for the advertisements to contain videos that are up to 60 seconds long and removes the requirement that the specified information and any pictures, illustrations, or depictions in that advertisement be relatively inconspicuous in relation to the advertisement as a whole.

Existing law authorizes certain licensees, or their representatives, to conduct or participate in defined instructional activities at a retailer's premises under specified conditions. Current law permits advertisements for these events to include limited information, pictures, illustrations, and depictions of the retailer's premises, personnel, and customers only if those visuals are relatively inconspicuous within the overall advertisement, and it prohibits the use of video. This bill would expand this authority by allowing advertisements to include pictures, illustrations, videos, and depictions of the retailer's premises, personnel, and customers, subject to specified limitations.

Current statute limits how designated and on-sale retail licensees may advertise instructional tasting events to the general public, restricting them to specific mediums like flyers, newspapers, and interior signage. This bill eliminates these channel restrictions, broadly authorizing licensees to advertise these events across various mediums. This bill seeks to modernize provisions governing how specified licensees advertise instructional events held at a retailer's premises, as specified. Major platforms including Instagram, Facebook, and TikTok have shifted their algorithms to prioritize video content, particularly short-form videos. Proponents contend that this update offers a sensible modernization of tied-house rules by permitting video in supplier advertising without weakening protections against undue retailer influence.

**According to the Author**
According to the author's office, "This bill provides a targeted modernization to California's tied-house laws, building on the Legislature's prior work in AB 2452 (Aguiar-Curry, Chapter 705, Statutes of 2018) and SB 788 (Committee on Governmental Organization) Chapter 257, Statutes of 2019, by allowing winegrowers and wine importers to use short-term video in advertisements promoting legally permitted consumer events like winemaker dinners and tastings. Social media has changed dramatically since the Legislature last addressed this issue, and platforms like Instagram, TikTok, and Facebook now overwhelmingly favor video content, leaving California vintners at a growing disadvantage in reaching their own customers. At a time when the industry is facing serious headwinds, with well-known wineries downsizing or closing in recent months, this bill gives vintners a more authentic way to meet consumers where they are, at no cost to the state."

**Arguments in Support**
This bill is supported by beer and wine associations, with the Napa Valley Vintners arguing, "a winery attempting to promote a legally permitted consumer event through static images and text is operating at a severe and growing disadvantage compared to what the platforms' own design rewards."

**Arguments in Opposition**
This bill is opposed by Alcohol Justice, which argues "allowing producers to create advertising on behalf of retailers would continue the process of cutting down those protections" essential for "limiting runaway marketing that ends up targeting the most vulnerable."

## FISCAL COMMENTS

According to the Assembly Committee on Appropriations analysis, "Minor and absorbable costs to ABC to provide education and enforcement of the revised advertising rules. This committee sees a wide array of bills that propose to modify the scope of alcohol laws. Generally, the majority of proposals do not generate significant new workload for ABC, but taken together, these proposals could lead to significant new costs and future budget requests. In this case, however, the proposed expansion of advertising privileges is relatively minor in scope and maintains safeguards against undue promotion of a retailer."

## 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: 18-0-3**
**YES:** Blanca Rubio, Davies, Alvarez, Berman, Bryan, Dixon, Fong, Gabriel, Gipson, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Wallis
**ABS, ABST OR NV:** Carrillo, Macedo, Valencia

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

**ASSEMBLY FLOOR: 70-0-9**
**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Petrie- Norris, Quirk-Silva, Ramos, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
**ABS, ABST OR NV:** Bains, Bryan, Calderon, Chen, Elhawary, Ellis, Papan, Ransom, Sanchez

## UPDATED

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CONSULTANT: Eric Johnson / G.O. / (916) 319-2531 FN: 0003765