Office of Senate Floor Analyses
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UNFINISHED BUSINESS

Bill No: SB 1273
Author: Cabaldon (D), et al.
Amended: 8/18/26
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE: 14-0, 3/24/26
AYES: Rubio, Valladares, Alvarado-Gil, Archuleta, Blakespear, Cervantes, Dahle, Hurtado, Ochoa Bogh, Padilla, Richardson, Smallwood-Cuevas, Wahab, Weber Pierson
NO VOTE RECORDED: Ashby

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 40-0, 5/4/26
AYES: 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

ASSEMBLY FLOOR: Passed, 8/25/26

SUBJECT: Alcoholic beverages: tied-house restrictions: wine instructional events and promotional lectures: video advertisements

SOURCE: Napa Valley Vintners

DIGEST: This bill expands existing provisions of the Alcoholic Beverage Control Act governing advertisements by authorized licensees for instructional events held on a retailer's premises. Specifically, the bill permits advertisements for authorized instructional events to include videos of up to 60 seconds when published in advance of the event as described.

Assembly Amendments clarify the provisions of this bill and make conforming changes other provisions in the Alcoholic Beverage Control (ABC) Act.

ANALYSIS:

Existing law:

1) Establishes the Department of ABC and grants it the 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 in this state 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) Permits a winegrower, a winegrower's agent, wine importer, or other specified parties to conduct or participate in, and serve wine at, an instructional event for consumers held at a retailer's premises featuring wines produced by or for the winegrower or, imported by the wine importer if specified conditions are met. In this regard, these licensees may list certain information in advertisements for the event, but those advertisements are prohibited from including any video.

4) Prohibits a premium, gift, free goods, or anything of value from being given away in connection with the instructional event by the winegrower, California winegrower's agent, wine importer, or retailer, except as authorized.

5) Provides that no alcoholic beverages may be sold at the instructional event, except that orders for the sale of wine may be accepted by the winegrower if the sales transaction is completed at the winegrower's premises.

6) Provides that the name, address, telephone number, email address, internet website address, and any other electronic media of a winegrower, wine importer, or winegrower's agent licensee, the brand names of wine being featured, and the time, date, location, and other identifying information of a wine promotional lecture at a retail premises may be listed in advance of the event in an advertisement of the off-sale or on-sale retail licensee.

This bill:

1) Expands on current provisions in the ABC Act related to advertisements by a winegrower, winegrower's agent, or wine importer for instructional events for consumers held at a retailer's premises by allowing that advertisement to contain videos that are up to 60 seconds long.

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) Provides that the advertisement may contain pictures, illustrations, videos, or depictions of the winegrower, wine importer, or winegrowers' agent and would authorize the advertisement to contain or consist of pictures, illustrations, videos, or graphical depictions.

Background

Author Statement. According to the author's office, "SB 1273 provides a targeted modernization to California's tied-house laws, building on the Legislature's prior work in AB 2452 (2018) and SB 788 (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."

Tied-House Laws/Three-Tier System. Existing law, known as the "tied-house" law or "three-tier" system, separates the alcoholic beverage industry into three component parts: manufacturer/supplier (the first tier), wholesaler (the second tier), and retailer (the third tier). 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. 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. Generally, other than exemptions 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.

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 expands 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.

Related/Prior Legislation

AB 2452 (Aguiar-Curry, Chapter 705, Statutes of 2018) revised various advertising prohibitions for alcohol licensees when conducting instructional events at a retailer's location to, among other things, allow for pictures, illustrations, and depictions of the retailer's premises and for the name, address, telephone number, email address, Internet Web site address, and any other electronic media of the licensee upon whose licensed premises the event will be held.

AB 1891 (Levine, Chapter 273, Statutes of 2018) allows a licensed craft distiller to instruct consumers and conduct tastings on the premises of an on-sale and off-sale retailer, as long as certain specified conditions are met.

AB 780 (Williams, Chapter 408, Statutes of 2015) made clarifying and conforming changes relating to the listing of on-sale and off-sale retailers as a thing of value in order to enable licensees to connect with each other for normal commercial purposes.

AB 636 (Hall, Chapter 329, Statutes of 2013) permitted a winegrower, California winegrower's agent, importer, or other specified parties appearing at an instructional event, as specified, to provide autographs to consumers or consumer advertising specialties given by the person to a consumer or on any item provided by a consumer; and prohibited a requirement of the purchase of any alcoholic beverage in connection with such autographing.

SB 1101 (Wolk, Chapter 177, Statutes of 2010) clarified that winemakers who participate in instructional events or "meet the winemaker dinners," held at a retailer's licensed premises for consumers, may offer minimal samples, no more than three one-ounce tastes, of wine from "bottles."

AB 605 (Portantino, Chapter 230, Statutes of 2010) added new provisions to the Act authorizing the Department of ABC to issue to the holder of an "off-sale" retail license an "instructional tasting license" for the purpose of furnishing tastings of alcoholic beverages to consumers, subject to certain limitations.

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

According to the Assembly Appropriations Committee, 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."

SUPPORT: (Verified 8/25/26)

Napa Valley Vintners (Source)

OPPOSITION: (Verified 8/25/26)

None received

ARGUMENTS IN SUPPORT: According to the Napa Valley Vintners, "SB 1273 further updates the changes to the Business & Professions Code that were made in 2018 through AB 2452 to allow for a winery event promotion using social media. The 2018 amendments represented a good-faith effort to align California's tied-house advertising rules with the realities of social media promotion at that time by allowing for photos and social media handles to be used in promotions. However, the digital landscape has shifted dramatically in the intervening seven years in ways that the Legislature could not have fully anticipated. SB 1273 is a common-sense fix that modernizes tied-house restrictions to allow video content in supplier advertisements, while maintaining protections against undue retailer promotion."

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8/25/26 15:29:03

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