

SENATE THIRD READING
SB 917 (Laird)
As Amended March 25, 2026
Majority vote

SUMMARY

This bill would make various changes to provisions in the Alcoholic Beverage Control Act (Act) that currently authorizes a licensed winegrower to conduct limited instructional tastings at a certified farmers' market (CFM). This bill (a) deletes the requirement that wine sold by the winegrower is produced entirely from grapes or other agricultural products grown by the winegrower; (b) increases the number of licensees allowed to conduct an instructional tasting from one to three licensees.

Major Provisions

- 1) Deletes the requirement that wine sold by the winegrower according to a CFM sales permit is produced entirely from grapes or other agricultural products grown by the winegrower.
- 2) Increases the number of licensees allowed to conduct an instructional tasting event during a CFM from one to three.
- 3) Clarifies that instructional tastings under a CFM sales permit are subject to Responsible Beverage Service (RBS) training requirements.

COMMENTS

Background.

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.

Winegrower license. The Act defines a "winegrower" as "any person who has facilities and equipment for the conversion of grapes, berries, or other fruit into wine and is engaged in the production of wine. The applicable Alcoholic Beverage Control (ABC) license for these wine businesses is the Type "02 Winery License". The license is applicable for "winegrowers" (licensed after September 17, 1965). Additionally, the Federal Alcohol and Tobacco Tax and Trade Bureau (TTB) regulations permit a winegrower to use the facilities and equipment of another winegrower to produce wine. This is commonly referred to as an "alternating proprietorship." The license authorizes the sale of all wines and brandies, regardless of source, to consumers for consumption on the premises in a bona fide eating place that is located on the licensed premises or on premises owned by the licensee that are contiguous to the licensed premises and operated by and for the licensee.

In fiscal year 2024–25, there were approximately 6,874 licensed winegrowers in California. Napa County had the highest number, with 1,931 licenses, followed by Sonoma County with 1,380, and San Luis Obispo County with 614.

Instructional tastings at CFMs. In 2000, Governor Gray Davis signed AB 2520 (Thomson) Chapter 384, Statutes of 2000, authorizing ABC to issue a Certified Farmers' Market (CFM) sales permit. This permit allows a winegrower (Type 02) to sell wine produced and bottled entirely by the winegrower from grapes grown by the winegrower at a CFM. The bill limited sales to no more than 5,000 gallons of wine per year at CFMs and required winegrowers to report their annual CFM wine sales to ABC.

In 2014, this privilege was expanded through AB 2488 (Levine) Chapter 98, Statutes of 2014, which authorized licensed winegrowers to conduct limited instructional wine tastings for consumers at CFMs. Under this law, a winegrower holding a CFM sales permit may offer instructional tastings if the tasting area is clearly separated from the rest of the market by a barrier, such as a rope, chain, cord, or fence. The winegrower may pour no more than three ounces of wine per person per day. Only one licensee may conduct an instructional tasting event at any given certified farmers' market at a time. The licensee shall not permit any consumer to leave the instructional tasting area with an open container of wine. Supporters argued that instructional tastings help winegrowers educate consumers and promote their products in a setting where they are already permitted to sell wine.

SB 917 makes various changes to this provision in law. Specifically, this bill removes the requirement that wine sold at a CFM must be made only from grapes or agricultural products by the winery. Additionally, this bill increases the number of licensees allowed to conduct an instructional tasting at a CFM to three. Current law prohibits more than one licensed winegrower from conducting a tasting at a given CFM. As of March 2026, there were approximately 165 active CFM sales permits.

What is the RBS Training Program? AB 1221 (Gonzalez Fletcher) Chapter 847 Statutes of 2017 created the

Responsible Beverage Service Training Program Act with the intention of reducing alcohol-related harm to local communities. The bill required ABC to create the RBS Training Program to ensure on-premises servers of alcoholic beverages and their managers are educated on the dangers of serving alcohol to minors and over-serving patrons. Approximately 56,000 ABC licensees have on-premises alcohol sales privileges, which means alcohol can be consumed on site. On-premises locations include, but are not limited to, bars, restaurants, tasting rooms, clubs, stadiums, movie theaters, hotels, and caterers. RBS server certifications are valid for three years.

According to the Author

According to the author's office, "This bill strengthens the California wine industry – which has faced significant challenges in recent years – by expanding opportunities for winemakers to connect with consumers at farmers markets. Currently, to participate in farmers markets, wineries must grow grapes on land they own, reinforcing land ownership as a barrier to market access. SB 917 eliminates this requirement that locks small wineries out of farmers markets to increase equitable access to local markets and encourage consumers to engage with local wine producers."

Arguments in Support

This bill is co-sponsored by Family Winemakers of California and the California Association of Winegrape Growers, which argue, "Expanding opportunities for winemakers to reach consumers is essential to support both producers and grape growers as demand declines." This bill is also supported by other business groups and the County of Sonoma.

Arguments in Opposition

This bill is opposed by Alcohol Justice, which argues, "As California sees, year by year, greater and greater alcohol-related harms and attendant costs, we would like to caution against haphazard increases in alcohol sales across the state."

FISCAL COMMENTS

According to the Assembly Committee on Appropriations analysis, "Minor and absorbable costs to ABC for related education and 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, the proposed expansion applies to a relatively small volume of licensees."

VOTES**SENATE FLOOR: 37-0-3**

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Cervantes, Choi, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
ABS, ABST OR NV: Caballero, Gonzalez, Rubio

ASM GOVERNMENTAL ORGANIZATION: 19-0-3

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

ASM APPROPRIATIONS: 15-0-0

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

UPDATED

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