

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral
SPONSOR: Diageo, Inc.

BILL NUMBER: SB 351
AUTHOR: G. Negrete McLeod
RELATED BILLS: SB 351 - 2007-08, AB 663 - 2007-08, SB 985 - Statutes of 1991, AB 2759 - Statutes of 2000, AB 1429 - Statutes of 2001, AB 1442 - Statutes of 2005, AB 3046 - Statutes of 2006

BILL SUMMARY: Alcoholic Beverages: Advertising

Existing law establishes the Department of Alcoholic Beverage Control (ABC) and grants it exclusive authority to administer the provisions of the ABC Act (the Act) in accordance with laws enacted by the Legislature.

Existing law, the "tied house law", prohibits a beer manufacturer, distilled spirits manufacturer or winegrower from paying, crediting, or compensating a retailer for advertising, or for paying anything of value for the privilege of placing a sign or advisement on a retail premises. Several exceptions to this prohibition have been added to the Act to include ARCO Arena in Sacramento, Oakland Coliseum in Oakland, Arrowhead Pond Arena in Anaheim, Kern County Arena Bakersfield, the National Orange Show Event Center in San Bernardino, California Speedway in Fontana, Grizzly Stadium in downtown Fresno, Raley Field in West Sacramento, and the Home Depot Center in the City of Carson.

This bill would expand those exceptions to allow the purchase of advertising space and time, pursuant to a written contract, from on-sale retail licensees for a designated driver program operated or funded by the purchaser at the specified facility.

This bill would provide that any advertising space and time purchased for the designated driver program would be in addition to advertising purchased under the existing exceptions.

FISCAL SUMMARY

Finance estimates this bill would have no state General Fund Impact, and concurs with ABC the costs incurred by the ABC Fund as a result of this bill would be minor and absorbable.

COMMENTS

Finance notes the following with regard to this bill:

- The author's office states that the purpose of this bill is to allow manufacturer-sponsored designated driving programs during NASCAR events.

Analyst/Principal Date Program Budget Manager Date
(0762) C. Hill Mark Hill

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				2006-2007 FC	2007-2008 FC	2008-2009	
2100/Alcohol Bev	SO	No		----- No/Minor Fiscal Impact -----			3036
<u>Fund Code</u>	<u>Title</u>						
3036	Alcohol Beverages Control Fund						