

Date of Hearing: April 6, 2016

**ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION**

Adam Gray, Chair

AB 2172 (Jones) – As Introduced February 18, 2016

**SUBJECT:** Homebrewery clubs: meetings

**SUMMARY:** Would permit the removal and use of home brewed beer in connection with a club meeting held on the premises of an authorized licensee. Would also permit club members to exchange and consume home brewed beer at this type of meeting and would require tables used for the meeting to be designated by the authorized licensee, as specified. Specifically, **this bill:**

- 1) Provides that beer or wine manufactured for personal or family use may be removed from the premises where made in connection with a homebrewers club meeting that is held on the premises of an authorized licensee.
- 2) Provides homebrewers may exchange containers of home brewed beer during the club meeting. Home brewed beer made by the club members may be consumed by club members while on the licensed premises during the club meeting. Patrons of the authorized licensee that are not club members shall not consume any home brewed beer.
- 3) Specifies that the authorized licensee shall designate, by signage or other item, which tables within the licensed premises shall be used by club members during the club meeting.
- 4) For purposes of this bill, “authorized licensee” means a licensee that holds an on-sale beer and wine license for a bona fide public eating place, an on-sale general license for a bona fide eating place, a club license, an on-sale general brew pub license, an instructional tasting license, a beer manufacturer’s license, or a small beer manufacturer’s license.

**EXISTING LAW:**

- 1) Establishes Department of Alcoholic Beverage Control (ABC) and grants it exclusive authority to administer the provisions of the Alcoholic Beverage Control Act (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) Authorizes a person over 21 years of age to manufacture beer or wine (200 gallons per calendar year if there are two or more adults in the household or 100 gallons if there is only one adult in the household) for personal or family use, and not for sale, without the need for a license or permit.
- 3) Authorizes the removal of beer or wine from the premises where made for personal or family use, for specified purposes,
  - (a) For use, including in a bona fide competition or judging or a bona fide exhibition or tasting.
  - (b) For personal or family use.
  - (c) When donated to a nonprofit organization, as specified.

(d) Beer or wine may only be provided or served to the public within a clearly identified area that includes, but is not limited to, a physical barrier with a monitored point of entry. Beer or wine produced by a licensed beer manufacturer or winegrower shall not be provided or served to the public within this area.

4) Provides that beer or wine may be donated to a nonprofit organization for sale at fundraising events conducted solely by and for the benefit of the nonprofit organization. The beer and wine donated may be sold by the nonprofit organization only for consumption on the premises of the fundraising event, under a license issued by ABC to the nonprofit organization. The donated and sold beer and wine shall bear a label identifying its producer and stating that the beer or wine is homemade and not available for sale or for consumption off the licensed premises. The beer or wine is not required to comply with other labeling requirements, as specified.

5) Specifies that a nonprofit organization established for the purpose of promoting home production of beer or wine, or whose membership is composed primarily of home brewers or home winemakers, shall not be eligible to sell beer.

6) Allows nonprofit organizations established for the purpose of promoting home brewing to serve beer at fundraising events subject to specified conditions. Only bona fide members of the nonprofit organization may attend the event.

7) Existing law, known as the “tied-house” law, separates the alcoholic beverage industry into three component parts of manufacturer, wholesaler, and retailer. The original policy rationale for this body of law was to prohibit the vertical integration of the alcohol industry and to protect the public from predatory marketing practices. 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.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

Purpose of the bill: According to the author’s office, homebrew club members brew beer together, sample each other’s beers, and provide a forum for feedback and education. Homebrew clubs provide an environment where new home brewers can come and learn the art of brewing beer and are growing in popularity throughout California. There are now more than 1,000 homebrew clubs across the country, with more than 20 percent of those being in California. California is host to numerous annual homebrew competitions, including two judge centers for the AHA National Homebrew Competition - the world's largest beer competition.

Home brewing was not made legal in the United States until February 1, 1979 under the federal Cranston Bill, named after the California Senator Alan Cranston. Current law authorizes a person over 21 years of age to manufacture beer or wine (200 gallons per calendar year if there are two or more adults in the household or 100 gallons if there is only one adult in the household) for personal or family use, and not for sale, without the need for a license or permit.

The author’s office points out that the number one reason for brewing among American Homebrew Association (AHA) members is the creative and artistic aspect of the hobby. Creating a well-crafted beer at home is much like cooking a gourmet meal. The process of brewing beer involves biochemistry and thermodynamics. Many brewers also build some of

their own equipment, which can involve metallurgy, electrical engineering and mechanical engineering.

According to the author, this bill is intended to give homebrew clubs the ability to conduct meetings and competitions in ABC licensed establishments and share their own home brewed beer amongst themselves.

The author states that giving home brewer clubs the ability to meet and hold competitions in licensed establishments will not only benefit the club but also provide financial benefits to authorized licensees who would be allowed to host the designated event subject to specified conditions. It should be noted that patrons of the authorized licensee that are not club members would not be able to consume any home brewed beer.

Prior legislation: AB 2609 (Nestande), Chapter 239, Statutes of 2014. Added a new provision to the ABC Act that allows nonprofit organizations established for the purpose of promoting home brewing to serve beer at fundraising events subject to specified conditions; and provides that home brewed beer or wine may only be provided or served within a clearly identified area.

AB 1425 (Governmental Organization Committee), Chapter 463, Statutes of 2013. Among other things, allowed beer or wine made for personal or family use to be donated to a non-profit organization and used at a fundraising event conducted solely by and solely for the benefit of the nonprofit organization and only for consumption on the premises of the fundraising event, provided that a license is issued by the ABC.

SB 607 (Wiggins), Chapter 28, Statutes of 2008. Authorized a person to manufacture wine for personal or family use in an amount not to exceed 100 or 200 gallons per household per calendar year without the need for a license or permit, as provided. Also, authorized the removal of wine, manufactured for personal or family use, from the premises where manufactured for use, including use at organized affairs, exhibitions or competitions, such as homemakers' contests, tastings, or judgments.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

American Homebrewers Association  
California Homebrewers Association

### **Opposition**

None on file

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