

Editorial: Antiquated alcohol law needs revision

By The Bee Editorial Board

Innovation and competition are as American as Mom's apple pie and ice cream.

Yet here in California, antiquated laws and a Legislature that genuflects before the most powerful players in the liquor industry is bottling up the ambitions of budding entrepreneurs.

Assembly Member Marc Levine's bill to allow craft distillers to sell bottles of their liquor in tasting rooms was derailed in committee. | Hector Amezcua Sacramento Bee File Photo

Suffice to say that eight decades after the repeal of Prohibition, California's protectionist laws regulating alcohol sales need an overhaul.

One outdated aspect of the antiquated "tied-house laws" came into focus last month, when an Assembly committee, encouraged by the liquor lobby, derailed a simple bill that sought to loosen the 1935-vintage statute ever so slightly.



Assembly Member Marc Levine, a Marin County Democrat, introduced AB 1233 to grant distillers and rectifiers of whiskey and other spirits the authority to sell three bottles to visitors to their tasting rooms.

Tied-house laws — so named because manufacturers, wholesalers and retailers cannot be tied to one another — prohibit makers of spirits from selling to the public, even in small quantities. They must instead find distributors who will deliver their product to retailers.

There might have been a reason for such a law 80 years ago. Now, the scheme protects big distributors and stifles entrepreneurs, who have opened small distilleries and hope to capture tourist dollars, as wineries and breweries do.

The knocking down of Levine's bill was bad. But then the Sacramento Convention & Visitors Bureau canceled an annual event built around wine promotion and sales, the Save Mart Grape Escape.

Wineries weren't signing up to sell the fruits of their labors for fear of running afoul of the Department of Alcoholic Beverage Control. The ABC cited eight wineries last year because they tweeted the name of the sponsor, Save Mart Supermarkets.

ABC employees were merely enforcing the law. But the nonsensical law bars manufacturers from giving retailers anything of value, including a tweet that mentions retailers' names.

Rather than risk the embarrassment of having only a few wineries attend, the Sacramento Convention & Visitors Bureau, wisely, but sadly, halted the June event. The Grape Escape had helped regional vintners, winemakers and, yes, retailers promote themselves.

We do not encourage alcohol abuse, and support reasonable regulations about the location of bars and liquor stores, and events built around consumption. But wine, beer and spirits have been legal since Prohibition's demise in 1933. Tied-house laws, which were adopted immediately after Prohibition, are outdated, protectionist and patronizing. They must be updated.

If we can figure this out, the Legislature ought to be able to do so, too.

Unlike the Legislature, however, we're not a flask in the suit pocket of Big Liquor.