

Assemblyman Marc Levine introduces two bills to liberalize laws governing alcohol



A bill by Assemblyman Marc Levine would make it possible for beer makers to provide tastings at local farmers markets.
Scott Manchester — Marin Independent Journal

By Richard Halstead

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Assemblyman Marc Levine has introduced two new bills that would liberalize the law governing the sale and marketing of alcoholic beverages in California.

The San Rafael Democrat says the bills are aimed at promoting the growth of craft distillers and brewers. Opponents, however, argue that the bills would erode protections set in place following Prohibition and ultimately lead to more consumption of alcohol, which is already one of Marin County's biggest health threats.

AB 1223 would allow the direct sale of up to three bottles of distilled spirits per person per day at the distilleries. And AB 774 would make it possible for beer makers to provide tastings at local farmers markets. Only one beer maker at a time would be allowed to provide tastings during any given market. Pourings would be limited to eight ounces of beer per person per day.

AB 774 is virtually identical to AB 2488, a bill Levine introduced last year which made it legal for wineries and hard cider makers to provide tastings at farmers markets. Gov. Brown signed that bill into law last year. The only new wrinkle is that AB 774 would make it possible for beer makers to donate beer to nonprofits so that it can be auctioned for the nonprofit's benefit. Wine makers can already do this legally.

Both new pieces of legislation were developed following the formation of the Assembly's Committee on Craft Brewing and Distilling, which was created at the request of Levine in January. Levine serves as the committee's chairman.

“It was really in response to the entrepreneurship and innovation in the North Bay where we have a lot of artisan makers of craft beer and distilled spirits, which has a growing impact on our local economy,” Levine said. “Hundreds of jobs have been created in the North Bay and millions of dollars of economic activity.”

Ben Stone, director of the Sonoma County Economic Development Board, said, “It’s an important emerging industry, a growing source of jobs and income.” According to the Development Board, there were 24 craft brewers in Sonoma County in 2013 when craft brewing had an economic impact of \$169 million, creating 776 jobs. Similar data for Marin County was unavailable.

Levine said, “We have such a local tuned culture in the North Bay; we like to know the people who make our food. It’s a very special relationship we’re developing. These bills help to build that relationship.”

Scott Hanson of Tiburon founded Hanson of Sonoma Organic Vodka in the city of Sonoma about two and a half years ago. Hanson said in the building that houses his business there is a boutique winery on one side and a small batch brewery on the other. Both the winery and the brewery can sell products to visitors who visit their premises, but Sonoma Organic Vodka can’t.

“So it’s not a level playing field,” Hanson said.

But Bruce Livingston, executive director of Alcohol Justice, a San Rafael advocacy group that works to prevent alcohol abuse, doesn’t buy the economic development rationale.

“Once again it’s chipping away at the three-tier system of protections in California,” Livingston said. “It’s allowing producers to sell directly to the public, and it’s another step down the path to making alcohol available anytime, anyplace, anywhere. We’re disappointed that Marc Levine is playing a role in facilitating the industry.”

A three-tier system of producers, distributors, and retailers was mandated when alcohol was legalized following Prohibition in 1933. Michael Scippa, director of public affairs for Alcohol Justice, said prior to Prohibition big beer companies and distillers owned bars and engaged in cutthroat competition to gain market share.

The result was an “unhealthy availability” of alcoholic beverages, Scippa said. Scippa said one of the only evidence-based strategies for reducing alcohol related harm is to raise prices and reduce availability.

Marin has been ranked the healthiest county in California for several years running by the Robert Wood Johnson Foundation; however, surveys continually document the county’s excessive alcohol consumption.

Levine says his legislation doesn’t threaten the three-tier system.

“The current system has benefited the largest producers of alcohol in the world,” Levine said. “In AB 1233 the products that fall under the bill are hand-crafted, small batch and often organic spirits. They are specialty products that are not designed to be sold cheaply or in bulk.”

Hanson said, “We’re not arguing in any way with the three tier system. All we’re trying to do is build our brand.”

Scippa said that Levine received a substantial amount of money in contributions from alcohol-related businesses and associations in 2014. A quick review of his contributions indicated he received close to \$48,000 from the alcohol industry last year.

Levine said the contributions had no influence on his decision to introduce his new bills.