

More Privileges for Winery Tasting Rooms

New California law cleans up inconsistencies, allows wine sales by glass or bottle



Guests at San Francisco's Press Club can sample wines from many top California wineries; under the new law, they will also be able to purchase wine by the glass or the bottle, and take home any unfinished bottles.

A new law signed last week by California Gov. Arnold Schwarzenegger corrects some inconsistencies in state wine laws -- particularly those related to the so-called "Picnic Wine Bill" passed last year.

The law lets wineries offer consumers wine by the glass or bottle in a second tasting room, while expanding public review in the winery licensing process. This is significant, as more and more wineries are opening duplicate tasting rooms, particularly in cities.

The legislation was authored by Assemblymember Noreen Evans (D-Santa Rosa), chair of the Assembly Select Committee on Wine, who has introduced numerous bills to correct inconsistencies and obsolete provisions in the state's wine regulations.

Evans said she introduced the bill to help wineries at a time when many are encountering tough sales conditions. "Wineries are feeling the pains of this recession," Evans said. "This bill provides them with a little boost. With fewer tourists visiting wine country, wineries can now reach out to customers through new kinds of direct sales."

Sponsored by the Wine Institute, Assembly Bill (AB) 1470 has three main components:

- It establishes parity in how wineries (02 licensees) may sell their wines at locations operating under duplicate licenses as permitted under existing law for their master license. It allows the same privileges at duplicate locations as at the main site, including selling wines by the glass or bottle for on-premise consumption. (Previously, they could only offer sample pours.)

- The bill also encourages responsible wine consumption among wine bar customers by allowing them to take home unfinished bottles of wine, as is currently permitted at restaurants and wineries -- but not duplicate license locations and wine bars. The bill applies this “brown bag” privilege to wine bars operating under a standard beer and wine bar (type 42) license or a duplicate winery (02) license.

- Finally, it requires duplicate licenses to undergo the same 30-day public review period required for wineries and retail alcohol licenses. Previously, such review had not been required; wineries could get a second location license as part of their privileges without review.

“Wineries are situating their duplicate tasting rooms in locales like San Francisco, San Luis Obispo, Cannery Row in Monterey, Clarksburg in the Delta, and the town of Sonoma, sometimes partnering with one another to provide a broader consumer experience,” said Robert P. Koch, president and CEO of Wine Institute.

Six wineries including Saintsbury, Chateau Montelena and Hanna opened duplicate tasting sites at the Press Club in San Francisco, for example. Jan Wiginton, co-founder and co-owner of the tasting facility, says the law should be very positive for her business. “People love the tasting concept, but they couldn’t understand why they couldn’t order a glass or bottle of wine to drink.”

Downtown Napa now has about 20 wine bars, including sites with duplicate licenses, partly as a result of the remote locations of the wineries themselves, as well as tough county regulations that make it increasingly difficult to open tasting rooms at wineries.

A recent report from Silicon Valley Bank, “State of the Wine Industry,” found that even though the economy is mired in a deep recession, per capita wine consumption continues to rise in the U.S. It also found that small wineries face severe distribution challenges, encouraging many to expand direct marketing efforts like duplicate tasting rooms. The report is available [here](#).

AB 1470 passed the Assembly with a concurrence vote of 77-0, following the Senate’s 40-0 approval of the bill. It becomes law Jan. 1, 2010.