

MOTION BY SUPERVISOR MARK RIDLEY-THOMAS

September 12, 2017

Opposition to SB 582 and AB 1724 Exempting Local Stadiums from Tied-House Restrictions on Alcohol Advertising

Senate Bill 582 (Bradford) (SB 582) would expand the exceptions under the Alcoholic Beverage Control Act (California Business and Professions Code section 2300 et seq.) to the general prohibition against advertising arrangements among alcohol retail, wholesale, and manufacturer licensees to allow for paid advertising of alcoholic beverages at, among other places, the Los Angeles Memorial Coliseum (Coliseum). In SB 582, the Coliseum is referred to as "An outdoor stadium located in Los Angeles County operated by a joint powers authority." Similarly, Assembly Bill 1724 (Jones-Sawyer) (AB 1724) would allow for advertising of alcoholic beverages at, among other places, the Los Angeles Football Club (LAFC) stadium (LAFC Stadium) currently under construction at the former site of the Los Angeles Memorial Sports Arena. In AB 1724, the LAFC Stadium is referred to as "An outdoor stadium with a fixed seating capacity in excess of 20,000 seats in the City of Los Angeles."

The Coliseum and the adjacent parcel where the LAFC Stadium is being constructed are under the control and jurisdiction of the Los Angeles Memorial Coliseum Commission (Commission), which is a joint powers authority comprised of the State, the City of Los Angeles and the County of Los Angeles (County). The advertising

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prohibition is part of the regulatory scheme commonly referred to as "tied-house" laws, which regulates how alcoholic beverages are marketed and how the various tiers of the alcoholic beverage industry interact, and is intended to promote an orderly market, prevent monopolies, prohibit commercial bribery and predatory marketing, and discourage intemperate consumption.

Notwithstanding the importance of tied-house laws, thoughtful consideration can lead to, and in fact has produced, statutory exceptions that allow for some limited integration of the three tiers in the alcoholic beverage system by permitting paid alcoholic beverage advertising at certain stadiums and entertainment complexes within the State where owners or major tenants hold retail licenses. The two bills addressed in this motion would allow, respectively, for paid advertising of alcoholic beverages at the Coliseum and LAFC Stadium. These two bills, however, lack thorough consideration of the potential impacts the proposed exceptions will have on the communities surrounding the Coliseum and the LAFC Stadium.

The Commission entered into a lease in 2013 with the University of Southern California (USC) to operate the Coliseum and former Sports Arena. The Commission consequently approved USC's sublease of the former Sports Arena parcel to LAFC for development of the LAFC Stadium. While the day-to-day operation of these facilities is now with USC and LAFC respectively, the Commission is tasked with ensuring that these venues are operated, maintained and preserved in a responsible manner. The Commission must be afforded the opportunity to fully vet the potential impact that advertisement of alcoholic beverages would have on the community, a community which is already burdened with an over-concentration of liquor licenses, and to consider the full implications of this proposed legislative change on its leasehold interests.

The County, likewise, must be afforded the opportunity to fully vet the potential impacts of these two bills.

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I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Express to the Los Angeles County Legislative Delegation the Los Angeles County Board of Supervisor's opposition to Senate Bill 582 (Bradford) unless amended to remove the definition intended to add the Los Angeles Memorial Coliseum to the list of stadiums exempted from the tied-house advertising restrictions pursuant to Business and Professions Code section 25503.6.

I FURTHER MOVE THAT THE BOARD OF SUPERVISORS express to the Los Angeles County Legislative Delegation its opposition to Assembly Bill 1724 (Jones-Sawyer), exempting the Los Angeles Football Club Stadium from the tied-house advertising restrictions pursuant to Business and Professions Code section 25503.6.

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(CG/FR/AN)