



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 2/3/2020

Agenda Placement: 7B

Napa County Legislative Subcommittee Board Agenda Letter

TO: Napa County Legislative Subcommittee

FROM: Mary Booher for Minh Tran - County Executive Officer
County Executive Office

REPORT BY: Nelson Cortez, Staff Assistant-BOS - 7072991478

SUBJECT: SB 866 (Dodd) Alcoholic beverages: on-sale licenses: County of Napa

RECOMMENDATION

County Executive Officer seeks discussion and possible action on SB 866 (Dodd) that authorizes the issuance of up to 10 additional new liquor licenses per year to bona fide public eating places in Napa County that have a capacity for 25 or more diners, as specified.

EXECUTIVE SUMMARY

The Alcoholic Beverage Control Act, administered by the California Department of Alcoholic Beverage Control, regulates the sale and distribution of alcoholic beverages and the granting of licenses for the manufacture, distribution, and sale of alcoholic beverages within the state.

SB 866 (Dodd) authorizes, beginning January 1, 2021, up to 10 additional new original on-sale general alcoholic beverage licenses per year to bona fide public eating places in Napa County that have a seating capacity for 25 or more diners for a 5-year period and prohibits their sale or transference for a price greater than the original fee paid by the seller or transferor.

Tourism is one of the major economic drivers for Napa County. The limited number of liquor licenses allowed by the ABC hinders the ability of local restaurants, hotels, and other establishments to limit the earning potential of these local business and the Napa economy.

Staff is requesting discussion and possible action on this bill which is not currently in our legislative and regulatory platform.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION**Synopsis**

SB 866 by Senator Dodd (Napa) authorizes the Department of Alcoholic Beverage Control (ABC), beginning January 1, 2021, to authorize up to 10 additional new original on-sale general alcoholic beverage licenses per year to bona fide public eating places in Napa County that have a seating capacity for 25 or more diners. The bill sunsets after a 5-year period and also prohibits their sale or transference for a price greater than the original fee paid by the seller or transferor.

Background

The Alcoholic Beverage Control Act, administered by the California Department of Alcoholic Beverage Control, regulates the sale and distribution of alcoholic beverages and the granting of licenses for the manufacture, distribution, and sale of alcoholic beverages within the state.

The Act limits the number of on-sale general licenses that may be issued by the department based on the population of the county in which the licensed premises are located. Existing law, commencing January 1, 2018 provides an exception to this limitation for the County of Napa and authorizes the department to issue five additional new original on-sale general licenses per year for bonafide public eating places with a seating capacity for 25 or more diners, for a period of four years (AB 471, 2017). Existing law limits this exception to 20 on-sale general licenses for bona fide eating places.

In 2016, Governor Brown signed AB 1670 (Dodd) that authorized the ABC to issue five new, original liquor licenses to Napa County establishments. Subsequently, Governor Brown signed AB 471 (Ting) which extended the sunset an additional four years, commencing on January 1, 2018, as noted above.

Status

Introduced, referred to the Senate Committee on Governmental Organization

Support and Opposition

CSAC: no action

NACo: N/A

Local: Napa County Board of Supervisors supported AB 1670 (Dodd) in 2016 and AB 471 (Ting) in 2018. Other supporters of previous bills include City of Napa, Downtown Napa Association among others.

STAFF COMMENTS

Platform: No

Federal: N/A

State: No

Implications to Napa County and County Departments

Tourism is one of the major economic drivers for Napa County, generating more than \$2.23 billion in visitor spending inside Napa County and \$85 million in taxes for local governments to provide critical services to residents in 2018 (Visit Napa Valley). The limited number of liquor licenses allowed by the ABC hinders the ability of local restaurants, hotels and other establishments to limits the earning potential of these local businesses and the Napa economy. Further, the scarcity of liquor licenses has driven the price of an available license to prohibitive amounts for most establishment.

Recommendation

Because the Board has take a position on this issue multiple times in the past, staff is recommending the Subcommittee bring this bill to the Board and ask for unanimous support to transmit a letter of support to the author, legislative representative and our state lobbyists.

SUPPORTING DOCUMENTS

A . SB 866

Recommendation: Approve

Reviewed By: Molly Rattigan