



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 7/10/2017

Agenda Placement: 7A

Napa County Legislative Subcommittee Board Agenda Letter

TO: Napa County Legislative Subcommittee

FROM: Molly Rattigan for Minh Tran - Interim County Executive Officer
County Executive Office

REPORT BY: Michael Karath, Staff Assistant - BOS - 299-1477

SUBJECT: AB 471 (Ting) - Alcoholic Beverages Licenses for Bonafide Eating Establishments

RECOMMENDATION

County Executive Officer requests discussion of and possible action on AB 471 (Ting), that seeks to authorize the Department of Alcoholic Beverage Control to extend by four additional years the current law that allows Napa County to receive five new liquor licenses in 2017 given to bonafide eating establishments. The four-year extension would begin on January 1, 2018.

EXECUTIVE SUMMARY

The Alcoholic Beverage Control Act, administered by the Department of Alcoholic Beverage Control (ABC), 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.

Tourism is one of the major economic drivers for Napa County, generating more than \$1.5 billion year each your in visitor revenue. 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 establishments.

In 2016, Governor Brown signed AB 1670 (Dodd) that authorized the ABC to issue five new, original liquor licenses

to Napa County establishments. The law sunsets in 2017. AB 471 seeks to extend the sunset an additional four years, commencing on January 1, 2018. AB 471 also increases the number of liquor licenses in San Francisco County.

CSAC: Watch

RCRC: No position

FISCAL IMPACT

Is there a Fiscal Impact? No

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

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 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 one year. Existing law, beginning January 1, 2017, also provides an exception to the license limitation for a county of the 6th class for five new original neighborhood-restricted special on-sale general licenses for premises located within specified census tracts in that county.

AB 471, beginning January 1, 2018, seeks to provide an exception to the limitation for the County of Napa and authorize the department to issue no more than five additional new original on-sale general licenses to bona fide public eating places per year in Napa County with a seating capacity for 25 or more diners, for a period of four years. AB 471 would also revise the exception relating to a county of the 6th class by authorizing the department to issue five new original neighborhood-restricted special on-sale general licenses each year until a total of 30 of these licenses are issued and sets a limit to how many neighborhood-restricted special on-sale general licenses may be issued per a census tract or tracts within that county.

The County of Napa supported AB 1670 in the 2015-2016 Legislative Session. AB 1670 initially requested five additional licenses for five years for Napa County (25 total). The bill was amended to add only five licenses in calendar year 2017. AB 471 adds 20 additional licenses in future calendar years to Napa County, continuing the work of AB 1670.

CSAC: Watch

RCRC: No position

SUPPORTING DOCUMENTS

A . AB 471 - BILL TEXT - Napa Count Liquor Licenses

Recommendation: Approve

Reviewed By: Molly Rattigan