

AMENDED IN SENATE JUNE 27, 2017

AMENDED IN SENATE JUNE 7, 2017

AMENDED IN ASSEMBLY APRIL 25, 2017

AMENDED IN ASSEMBLY APRIL 6, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 471

Introduced by Assembly Member Ting
(Principal coauthor: Senator Dodd)

February 13, 2017

An act to amend ~~Section~~ *Sections 23826.10 and 23826.13* of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 471, as amended, Ting. Alcoholic beverages: *licenses: new original on-sale general licenses for bona fide public eating places: neighborhood-restricted special on-sale general licenses.*

The Alcoholic Beverage Control Act, administered by the 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 also provides for a limitation on the amount 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, as provided. Existing law provides an exception to this limitation for the County of Napa and authorizes the department to issue 5 additional new original on-sale general licenses per year for bona fide 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, as specified, for 5 new original neighborhood-restricted special on-sale general licenses for premises located within specified census tracts in that county, subject to specified requirements. Existing law requires an applicant to, among other things, submit a signed verification by the local government body that states that the applicant has completed a required preapplication meeting regarding the issuance of the license.

This bill, beginning January 1, 2018, would provide for an exception to the limitation for the County of Napa and authorize the department to issue no more than 5 additional new original on-sale general licenses to bona fide public eating places per year with a seating capacity for 25 or more diners, for a period of 4 years.

This bill would revise ~~this exception~~ *the exception relating to a county of the 6th class* by authorizing the department to issue 5 new original neighborhood-restricted special on-sale general licenses, as specified, 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 bill would include additional restrictions as to who may apply for the license and would authorize, with regard to the signed verification described above, the verification to be signed by the designated subordinate officer or body of the local governing body.

~~This bill would make legislative findings and declarations as to the necessity of a special statute for the City and County of San Francisco.~~

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Napa and for the City and County of San Francisco.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 23826.10 of the Business and Professions
- 2 Code is amended to read:
- 3 23826.10. (a) (1) Notwithstanding any other provision of this
- 4 chapter, in any county of the 29th class, commencing January 1,
- 5 2009, the department may issue five additional new original on-sale
- 6 general licenses for bona fide public eating places per year, for a
- 7 period of three years. Any premises to qualify for a license under

1 this paragraph shall have a seating capacity for 50 or more diners.
2 In no event shall more than 15 on-sale general licenses for bona
3 fide eating places be issued under this paragraph.

4 (2) Notwithstanding any other provision of this chapter, in any
5 county of the 29th class, the department, in addition to those
6 licenses issued pursuant to paragraph (1), may issue no more than
7 a total of five additional new original on-sale general licenses for
8 bona fide public eating places from January 1, 2017, to December
9 31, 2017, inclusive. Any premises to qualify for a license under
10 this paragraph shall have a seating capacity for 25 or more diners.

11 (3) *Notwithstanding any other provision of this chapter, in any*
12 *county of the 29th class, commencing January 1, 2018, in addition*
13 *to those licenses issued pursuant to paragraphs (1) and (2), the*
14 *department may issue five additional new original on-sale general*
15 *licenses for bona fide public eating places per year, for a period*
16 *of four years. Any premises to qualify for a license under this*
17 *paragraph shall have a seating capacity for 25 or more diners. In*
18 *no event shall more than 20 on-sale general licenses for bona fide*
19 *eating places be issued under this paragraph.*

20 (b) In issuing the licenses provided for in this section, the
21 department shall follow the procedure set forth in Section 23961.

22 (c) Nothing in this chapter shall prohibit a person who currently
23 holds a valid on-sale general license for seasonal business from
24 applying for an original on-sale general license pursuant to this
25 section.

26 (d) A license issued under this section shall not be transferred
27 from one county to another nor shall it be transferred to any
28 premises not qualifying under this section.

29 **SECTION 1.**

30 *SEC. 2.* Section 23826.13 of the Business and Professions Code
31 is amended to read:

32 23826.13. (a) Notwithstanding any other provision of this
33 chapter, in any county of the sixth class, the department may issue
34 no more than a total of five new original neighborhood-restricted
35 special on-sale general licenses to premises located in any of the
36 census tracts listed in subdivision (b) per year beginning on January
37 1, 2017, until a total of 30 new licenses authorized by this section
38 are issued.

39 (b) To qualify for a license issued pursuant to this section, the
40 premises for which the license would apply shall be located within

1 one of the following United States Bureau of Census census tracts
2 located within the City and County of San Francisco, subject to
3 the following limitations:

4 (1) United States Bureau of the Census census tract 612000,
5 232000, 234000, 233000, or 230030. No more than a total of five
6 neighborhood-restricted special on-sale general licenses shall be
7 concurrently held at premises located within all of these tracts.

8 (2) United States Bureau of the Census census tract 258000 or
9 257020. No more than a total of four neighborhood-restricted
10 special on-sale general licenses shall be concurrently held at
11 premises located within all of these tracts.

12 (3) United States Bureau of the Census census tract 264030. No
13 more than a total of two neighborhood-restricted special on-sale
14 general licenses shall be concurrently held at premises located
15 within this tract.

16 (4) United States Bureau of the Census census tract 255000,
17 256000, 260020, 260010, 260040, 261000, or 263010. No more
18 than a total of five neighborhood-restricted special on-sale general
19 licenses shall be concurrently held at premises located within all
20 of these tracts.

21 (5) United States Bureau of the Census census tract 309000,
22 310000, or 312010. No more than a total of four
23 neighborhood-restricted special on-sale general licenses shall be
24 concurrently held at premises located within all of these tracts.

25 (6) United States Bureau of the Census census tract 330000,
26 329010, 328010, 353000, or 354000. No more than a total of five
27 neighborhood-restricted special on-sale general licenses shall be
28 concurrently held at premises located within all of these tracts.

29 (7) United States Bureau of the Census census tract 328020,
30 329020, 351000, or 352010. No more than a total of five
31 neighborhood-restricted special on-sale general licenses shall be
32 concurrently held at premises located within all of these tracts.

33 (c) In issuing the licenses pursuant to this section, the department
34 shall follow the procedure set forth in Section 23961. A license
35 shall not be issued pursuant to this section to an applicant until
36 any existing on-sale licenses issued to the applicant for the same
37 premises are canceled.

38 (d) (1) A person who currently holds an on-sale general license
39 for a premises, who currently holds any interest in an on-sale
40 general license for a premises, who has held an on-sale general

1 license for a premises within the 12 months prior to the date of the
2 drawing required by Section 23961, or who has held any interest
3 in an on-sale general license for a premises within the 12 months
4 prior to the date of the drawing required by Section 23961, shall
5 not apply for a license issued pursuant to this section for that
6 licensed premises.

7 (2) In addition to the other requirements of this section, an
8 application for a neighborhood-restricted on-sale general license
9 shall be subject to all the requirements that apply to an on-sale
10 general license for a bona fide eating place.

11 (3) Prior to submitting an application for a license issued
12 pursuant to this section, the applicant shall conduct a minimum of
13 one preapplication meeting to discuss the application with
14 neighbors and members of the community within the census tract
15 in which the premises are located.

16 (A) The applicant shall hold the meeting either on the premises
17 or at an alternate location within a one-mile radius of the premises.

18 (B) The applicant shall mail notification of the preapplication
19 meeting to all of the following individuals and organizations at
20 least 14 calendar days before the meeting:

21 (i) Each resident within a 500-foot radius of the premises for
22 which the license is to be issued.

23 (ii) Any relevant neighborhood associations for the
24 neighborhood in which the premises is located, as identified on a
25 list maintained by the Planning Department of the City and County
26 of San Francisco.

27 (iii) The Chief of Police for the San Francisco Police
28 Department.

29 (C) Applicants for a neighborhood-restricted special on-sale
30 general license shall submit, on a form provided by the department,
31 signed verification by the local governing body of the area in which
32 the applicant premises are located, or its designated subordinated
33 officer or body, that states the applicant has completed the
34 preapplication meeting pursuant to this section.

35 (e) (1) A license issued pursuant to this section shall not be
36 transferred between counties.

37 (2) A license issued pursuant to this section shall not be
38 transferred to any other premises. This provision shall not apply
39 to any licensee whose premises have been destroyed as a result of

1 fire or any act of God or other force beyond the control of the
2 licensee, for whom the provisions of Section 24081 shall apply.

3 (3) A license issued pursuant to this section shall not be
4 transferred to any person, partnership, limited partnership, limited
5 liability company, or corporation. This provision shall not apply
6 to licenses transferred under Section 24071, 24071.1, or 24071.2.

7 (f) Following the cancellation or revocation of a license issued
8 pursuant to this section, the department may issue one additional
9 new original neighborhood-restricted special on-sale general license
10 following the procedure set forth in Section 23961 and the
11 provisions of this section.

12 (g) A person that holds a neighborhood-restricted special on-sale
13 general license issued pursuant to this section shall not exchange
14 his or her license for an on-sale license for public premises.

15 (h) Except as specified herein, a neighborhood-restricted special
16 on-sale general license may exercise all of the privileges, and is
17 subject to all the restrictions, of an on-sale general license for a
18 bona fide eating place.

19 (i) A neighborhood-restricted special on-sale general license
20 issued pursuant to this section shall not, with respect to beer and
21 wine, authorize the exercise of the rights and privileges granted
22 by an off-sale beer and wine license.

23 (j) (1) The original and annual fees, and any additional fees
24 and surcharges, shall be the same as those imposed upon an on-sale
25 general license for a bona fide eating place.

26 (2) All moneys collected from the fees imposed pursuant to this
27 section shall be deposited in the Alcohol Beverage Control Fund,
28 pursuant to Section 25761.

29 (k) The department shall adopt rules and regulations to enforce
30 the provisions of this section.

31 ~~SEC. 2. The Legislature finds and declares that a special law
32 is necessary and that a general law cannot be made applicable
33 within the meaning of Section 16 of Article IV of the California
34 Constitution because of the unique distribution and market
35 conditions of liquor licenses in the City and County of San
36 Francisco, that apply only to the City and County of San Francisco.~~

37 *SEC. 3. The Legislature finds and declares that a special statute
38 is necessary and that a general statute cannot be made applicable
39 within the meaning of Section 16 of Article IV of the California*

1 *Constitution because of the unique circumstances of the economy*
2 *in the County of Napa.*
3 *SEC. 4. The Legislature finds and declares that a special statute*
4 *is necessary and that a general statute cannot be made applicable*
5 *within the meaning of Section 16 of Article IV of the California*
6 *Constitution because of the unique distribution and market*
7 *conditions of liquor licenses in the City and County of San*
8 *Francisco, that apply only to the City and County of San Francisco.*

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