

Date of Hearing: April 18, 2018

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Adam Gray, Chair

AB 2451 (Aguiar-Curry) – As Amended April 9, 2018

SUBJECT: Alcoholic beverage control: legislative reports

SUMMARY: Adds reporting requirements to an existing report on activities of the Department of Alcoholic Beverage Control (ABC) that is prepared and submitted by the Director of ABC to the Legislature, upon request and posted on its Internet Web site. Specifically, this bill:

1) Revises the prescribed content of the report to include:

- a) Information on the amount of funds allocated and spent by ABC for licensing, enforcement, and administration in the previous five years.
- b) The number of licenses issued, renewed, denied, suspended, and revoked, by license category in the previous five years,
- c) The number, type, and amount of penalties, fines, and other disciplinary actions taken by ABC in the previous five years.
- d) Require the report to contain a synopsis of legislation introduced in the previous year related to alcoholic beverage control.

EXISTING LAW:

1) Establishes ABC and grants it exclusive authority to administer the provisions of the Alcoholic Beverage Control Act (Act) in accordance with laws enacted by the Legislature. This involves licensing individuals and businesses associated with the manufacture, importation and sale of alcoholic beverages in this state and the collection of license fees for this purpose.

2) Requires ABC, upon request from the Legislature, to prepare and submit to the Legislature a report on the department's activities and post the report on the department's Internet Web site. The report shall include, but not be limited to, the following information for any previous fiscal year requested by the Legislature:

- a) The amount of funds allocated and spent by ABC for licensing, enforcement, and administration;
- b) The number of licenses issued, renewed, denied, suspended, and revoked, by license category;
- c) The average time for processing license applications, by license category;
- d) The number and type of enforcement activities conducted by ABC and by local law enforcement agencies in conjunction with the department; and

e) The number, type, and amount of penalties, fines, and other disciplinary actions taken by ABC.

FISCAL EFFECT: Unknown

COMMENTS:

ABC has the exclusive power, in accordance with laws enacted, to license and regulate the manufacture, importation and sale of alcoholic beverages in California. It also has the power for good cause to deny, suspend or revoke any specific alcoholic beverage license.

ABC has been producing and providing workload reports for the industry it regulates and groups interested in its licensing and enforcement activities since 1941. In 1999, ABC began posting all of its annual reports on its Internet Web site. For example, ABC provides on an annual basis: the Annual Workload Summary, the Performance Management Report, and the License Count Summary Report.

SB 325 (Hall), Chapter 257, Statutes of 2015, modified the annual reporting requirement to instead require ABC to provide the report upon request of the Legislature. The bill did not eliminate the statutory requirement for the report – it simply eliminated the requirement for a separate annual report to the Legislature thus enabling ABC to use its resources for other purposes. ABC stated that providing a separate report for the Legislature was duplicative and consumptive of limited resources and staff.

Purpose of the bill. According to the author's office, this bill is simply intended to provide the Legislature with more detailed information relating to licensing, enforcement, and administration trends within ABC and the alcohol industry over a five-year cycle, instead of on a yearly basis. This additional reporting requirement will provide the Legislature with more detailed information to review ABC's performance in relation to constitutional and legislative mandates.

In support. The California Beer and Beverage Distributors, in support, states, "This bill is necessary to ensure the Legislature is aware of the licensing and enforcement activities of the ABC and requires the necessary transparency of the previous five-year period of work done by the department, should any questions ever arise."

Prior legislation. SB 325 (Hall), Chapter 257, Statutes of 2015. Deleted a requirement that ABC prepare and submit an annual report to the Legislature on ABC's activities, and instead required ABC to prepare and submit the report upon request of the Legislature. The bill also made technical, non-substantive changes to the Act.

AB 749 (Hall, Chapter 221, Statutes of 2011). Changed the period covered by ABC's annual report to the Legislature from a "calendar" year time period to a "fiscal" year.

SB 1480 (Committee on Governmental Organization, Chapter 296, Statutes of 2010. Among other things, deleted the requirement that the Director of ABC to include recommendations for legislation in the annual ABC report to the Legislature.

AB 2413 (Assembly Governmental Organization Committee), Chapter 579, Statutes of 2002. Required ABC to include information on enforcement efforts conducted in conjunction with local law enforcement in their annual report to the Legislature.

REGISTERED SUPPORT / OPPOSITION:

Support

California Beer and Beverage Distributors

Opposition

None on file

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