

Date of Hearing: June 28, 2018

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Adam Gray, Chair

SB 629 (McGuire) – As Introduced February 17, 2017

SENATE VOTE: 39-0

SUBJECT: Alcoholic beverages: fees: adjustment: posting

SUMMARY: Would require the Department of Alcoholic Beverage Control (ABC) to post the adjusted annual license fee list on its Internet Web site.

EXISTING LAW:

- 1) Establishes ABC and grants it exclusive authority to administer the provisions of the Department of Alcoholic Beverage Control (Act) in accordance with laws enacted by the Legislature.
- 2) Provides, under the Act, for the issuance of licenses for which various annual fees are charged depending upon the type of license issued.
- 3) Authorizes an annual adjustment of the fees, as provided, commencing with the 2010 calendar year.
- 4) Requires that the adjusted fee list be published by ABC and transmitted to the Legislature for approval as part of the department's budget submission for the fiscal year in which the fees would be implemented.

FISCAL EFFECT: Unknown

COMMENTS:

Purpose of the bill. The author's office states that, "while the current annual adjustments are posted online by ABC, there is nothing in statute to guarantee the public is made aware of the adjustments through online postings, one of the most accessible forms of publications."

ABC. The Department of Alcoholic Beverage Control licenses and regulates the manufacturing, sale, purchase, possession, and transportation of alcoholic beverages. Currently, ABC has about 90,000 licenses across the state, including businesses such as winegrowers, liquor stores, and restaurants. The state budget for the 2018-2019 fiscal year includes \$75 million for support of ABC. This is an increase of about \$3 million, or about 4 percent, from current-year estimated expenditures. ABC is supported primarily by the Alcoholic Beverage Control Fund, which is funded almost entirely by licensing fees.

Existing law provides ABC the authority to increase fees annually consistent with the CPI. Since this authority was granted in 2004, fees have been adjusted three times.

Prior Legislation. SB 937 (Committee on Governmental Organization, Chapter 327, Statutes of 2012). Among other things, revised the license fee schedule to set forth the fee amounts as of the 2010 calendar year.

AB 1298 (Wesson, Chapter 488, Statutes of 2001). Among other things, increased the annual fees imposed on manufacturers, distributors, and retailers by specified amounts through 2004 and permitted ABC to adjust the fees charged commencing with the 2005 calendar year by an amount not to exceed an inflation factor based on the CPI for the west region.

In support. Wine Institute states, “SB 629 would align California statute with current practice by clarifying that the adjusted fee list be permanently published by the department on their website. This action will make permanent the current level of transparency surrounding the fee adjustments and will prevent future reversion to less transparent methods for publishing fees.”

REGISTERED SUPPORT / OPPOSITION:**Support**

California Grocers Association
Wine Institute

Opposition

None on file

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