

AMENDED IN ASSEMBLY MAY 29, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1298**

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**Introduced by Assembly Member ~~Wesson~~ Members *Wesson and Oropeza***

February 23, 2001

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An act to amend ~~Section 24200 of~~ Sections 23357.2, 23358.3, 23366.3, 23389, 23390, 23399, 23399.4, 24042, 24042.5, 24045.7, 24045.11, 24045.85, and 24048 of, to repeal Sections 23320.2 and 23320.3 of, and to repeal and add Section 23320 of, the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1298, as amended, ~~Wesson. Licenses: suspension or revocation~~ *Alcoholic beverage control: licenses: fees.*

*The Alcoholic Beverage Control Act provides for the issuance of licenses for which various annual fees are charged depending upon the type of license issued.*

*This bill would increase these annual fees by specified amounts through 2004, and would annually permit the Department of Alcoholic Beverage Control to adjust the fees charged commencing with the 2005 calendar year by an inflation factor based on the Consumer Price Index for the west region.*

~~Existing law specifies the grounds that constitute a basis for the suspension or revocation of an alcoholic beverage license.~~

~~This bill would additionally provide for the suspension or revocation of an alcoholic beverage license if drug paraphernalia, as defined, is present on the licensee's premises.~~

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 24200 of the Business and Professions~~  
2     SECTION 1. *The Legislature finds and declares that the*  
3 *regulation of the manufacture, importation, supply, and sale of*  
4 *alcoholic beverages continues to be among the highest priorities*  
5 *of the state. The Department of Alcoholic Beverage Control is*  
6 *charged with the regulatory oversight of some 70,000 licensees*  
7 *throughout the State of California, as well as investigating in*  
8 *excess of 10,000 new and transfer applications per year. Because*  
9 *the department is a special fund department, it has been required*  
10 *to perform its functions with a budget derived solely from the fees*  
11 *paid by licensees. Yet, these fees have not been increased to keep*  
12 *pace with inflation or rising costs of operating the department*  
13 *since 1978. As a result of the neglect of insuring appropriate*  
14 *funding levels, the department is facing a budget crisis, with the*  
15 *reduction in enforcement capabilities being imminent. Failure to*  
16 *correct the immediate funding shortfall, as well as ensuring the*  
17 *fiscal integrity of the department in the future, will significantly*  
18 *impede the department’s ability to meet its continuing obligations*  
19 *to protect the safety, welfare, health, peace, and morals of the*  
20 *people of the state. It is the intent of the Legislature in enacting this*  
21 *act to return the department to an acceptable level of funding by*  
22 *adjusting license fees over a three-year period to a level consistent*  
23 *with the increased costs associated with the regulation of the*  
24 *licensees, and assuring a continued level of reasonable and*  
25 *responsible funding into the future through annual adjustments in*  
26 *the Budget Act.*

27     SEC. 2. *Section 23320 of the Business and Professions Code*  
28 *is repealed.*

29     ~~23320.—The following are the types of licenses to be issued~~  
30 ~~under this division and the annual fees to be charged therefor:~~

31			
32	(†) Beer manufacturer’s license	_____	
33	_____ (a) Beer manufacturers that produce		
34	_____ 60,000 barrels or less a year . . . . .		100.00 per year
35	_____ (b) All other beer manufacturers . . . . .		828.00 per year



1	(2) Winegrower's license or wine blender's	
2	— license (to be computed only on the	
3	— gallonage produced or blended),	
4	— 5,000 gallons or less .....	22.00 per year
5	— Over 5,000 gallons to 20,000 gallons per	
6	— year .....	44.00 per year
7	— Over 20,000 gallons to 100,000 gallons	
8	— per year .....	82.50 per year
9	— Over 100,000 gallons to 200,000 gallons	
10	— per year .....	110.00 per year
11	— Over 200,000 gallons to 1,000,000 gallons	
12	— per year .....	165.00 per year
13	— For each 1,000,000 gallons or fraction	
14	— thereof over 1,000,000 gallons an	
15	— additional .....	110.00 per year
16	(3) Brandy manufacturer's license .....	168.00 per year
17	(4) Distilled spirits manufacturer's license .....	276.00 per year
18	(5) Distilled spirits manufacturer's agent's	
19	— license .....	276.00 per year
20	(5a) California winegrower's agent's license	276.00 per year
21	(6) Still license .....	12.00 per year
22	(7) Rectifier's license .....	276.00 per year
23	(7a) Distilled spirits rectifier's general license	276.00 per year
24	(8) Wine rectifier's license .....	276.00 per year
25	(9) Beer and wine importer's license .....	No fee
26	(10) Beer and wine importer's general	
27	— license .....	56.00 per year
28	(11) Brandy importer's license .....	No fee
29	(12) Distilled spirits importer's license .....	No fee
30	(13) Distilled spirits importer's general	
31	— license .....	276.00 per year
32	(14) Public warehouse license .....	12.00 per year
33	(15) Customs broker's license .....	12.00 per year
34	(16) Wine broker's license .....	56.00 per year
35	(17) Beer and wine wholesaler's license .....	56.00 per year
36	(18) Distilled spirits wholesaler's license .....	276.00 per year
37	(18a) California brandy wholesaler's license .....	276.00 per year
38	(19) Industrial alcohol dealer's license .....	56.00 per year



1	(20) Retail package off-sale beer and wine	
2	— license .....	24.00 per year
3	(21) Retail package off-sale general license .....	350.00 per year
4	(22) On-sale beer license .....	168.00 per year
5	(23) On-sale beer and wine license .....	168.00 per year
6	(24) On-sale beer and wine license for trains	
7	— (per train) .....	16.00 per year
8	(25) On-sale beer license for fishing party	
9	— boats (per boat) .....	32.00 per year
10	(26) On-sale beer and wine license for boats	
11	— (per boat) .....	56.00 per year
12	(27) On-sale beer and wine license for	
13	— airplanes (per scheduled flight) .....	16.00 per year
14	(28) On-sale general license:	
15	— In cities of 40,000 population or over .....	580.00 per year
16	— In cities of less than 40,000 but more	
17	— than 20,000 population .....	412.00 per year
18	— In all other localities .....	360.00 per year
19	(29) On-sale general license for seasonal	
20	— business:	
21	— In cities of 40,000 population or	
22	— over .....	145.00 per quarter year
23	— In cities of less than 40,000 but	
24	— more than 20,000 population .....	103.00 per quarter year
25	— In all other localities .....	90.00 per quarter year
26	(30) (a) On-sale general license for bona	
27	— fide clubs;	
28	— (b) Club license (issued under Article 4	
29	— of this chapter), or	
30	— (c) Veterans' club license (issued under	
31	— Article 5 (commencing with	
32	— Section 23450) of this chapter):	
33	— In cities of 40,000 population or	
34	— over .....	330.00 per year
35	— In cities of less than 40,000 but more	
36	— than 20,000 .....	248.00 per year
37	— In all other localities .....	220.00 per year
38	(31) On-sale general license for trains and	
39	— sleeping cars .....	128.00 per year



1	<del>—— Duplicate on-sale general license for</del>	
2	<del>— trains and sleeping car companies . . . . .</del>	<del>32.00 per year</del>
3	<del>(32) On-sale general license for boats . . . . .</del>	<del>332.00 per year</del>
4	<del>(33) On-sale general license for airplanes . . . . .</del>	<del>332.00 per year</del>
5	<del>—— Duplicate on-sale general license for air</del>	
6	<del>— common carriers . . . . .</del>	<del>10.00 per year</del>
7	<del>(34) On-sale general license for vessels of</del>	
8	<del>— more than 1,000 tons burden . . . . .</del>	<del>128.00 per year</del>
9	<del>—— Duplicate on-sale general license for</del>	
10	<del>— vessels of more than 1,000 tons burden . . .</del>	<del>32.00 per year</del>
11	<del>(35) On-sale general bona fide public eating</del>	
12	<del>— place intermittent dockside license</del>	
13	<del>— for vessels of more than 7,000 tons</del>	
14	<del>— displacement . . . . .</del>	<del>360.00 per year</del>
15	<del>(36) On-sale special beer and wine license</del>	
16	<del>— for hospitals, convalescent homes,</del>	
17	<del>— and rest homes . . . . .</del>	<del>56.00 per year</del>

18  
19 *SEC. 3. Section 23320 is added to the Business and*  
20 *Professions Code, to read:*

21 *23320. (a) The following are the types of licenses and the*  
22 *annual fees to be charged therefor:*

23

<i>Name &amp; License Type Number:</i>	<i>Fee Effective 01/01/02</i>	<i>Fee Effective 01/01/03</i>	<i>Fee Effective 01/01/04</i>
<i>(1) Beer manufacturer:</i>			
<i>(a) Beer manufacturers that produce 60,000 barrels or less a year (Type 23) . . . . .</i>	<i>\$127.00</i>	<i>\$134.00</i>	<i>\$140.00</i>
<i>(b) All other beer manufacturers (Type 1) . . . . .</i>	<i>\$1,043.00</i>	<i>\$1,098.00</i>	<i>\$1,153.00</i>
<i>(c) Branch Office — Small Beer Manufacturers (Type 23D) . . . . .</i>	<i>\$69.00</i>	<i>\$71.00</i>	<i>\$73.00</i>
<i>— Beer Manufacturers (Type 1D) . . . . .</i>	<i>\$69.00</i>	<i>\$71.00</i>	<i>\$73.00</i>



1	(2) Winegrower or wine			
2	blender (to be			
3	computed only on the			
4	gallonage produced			
5	or blended) (Type 2 &			
6	Type 22)			
7	—5,000 gallons or			
8	less . . . . .	\$34.00	\$44.00	\$54.00
9	—Over 5,000 gallons			
10	to 20,000 gallons per			
11	year . . . . .	\$65.00	\$80.00	\$99.00
12	—Over 20,000 to 100,000			
13	gallons per year . . . . .	\$130.00	\$155.00	\$180.00
14	—Over 100,000 to			
15	200,000 gallons per			
16	year . . . . .	\$180.00	\$205.00	\$237.00
17	—Over 200,000 gallons			
18	to 1,000,000 gallons			
19	per year . . . . .	\$250.00	\$300.00	\$351.00
20	—For each 1,000,000			
21	gallons or fraction			
22	thereof over 1,000,000			
23	gallons an additional	\$170.00	\$200.000	\$229.00
24	Winegrower (Branch			
25	Office) – (Type 2D) . . . . .	\$69.00	\$71.00	\$73.00
26	(3) Brandy manufacturer			
27	(Type 3) . . . . .	\$212.00	\$223.00	\$234.00
28	Brandy manufacturer			
29	(Branch Office)			
30	(Type 3D) . . . . .	\$204.00	\$210.00	\$215.00
31	(4) Distilled spirits			
32	manufacturer (Type 4) . . . . .	\$348.00	\$366.00	\$384.00
33	(5) Distilled spirits			
34	manufacturer’s agent			
35	(Type 5) . . . . .	\$348.00	\$366.00	\$384.00
36	(5a) California winegrower’s			
37	agent (Type 27) . . . . .	\$348.00	\$366.00	\$384.00
38	(6) Still (Type 6) . . . . .	\$33.00	\$46.00	\$58.00
39	(7) Rectifier (Type 7) . . . . .	\$348.00	\$366.00	\$384.00



1	(7a) Distilled spirits			
2	rectifier's general license			
3	(Type 24) . . . . .	\$348.00	\$366.00	\$384.00
4	(8) Wine rectifier			
5	(Type 8) . . . . .	\$348.00	\$366.00	\$384.00
6	(9) Beer & wine importer			
7	(Type 9) . . . . .	\$25.00	\$42.00	\$58.00
8	(10) Beer & wine importer's			
9	general license (Type 10)	\$147.00	\$202.00	\$256.00
10	(11) Brandy importer			
11	(Type 11) . . . . .	\$25.00	\$42.00	\$58.00
12	(12) Distilled spirits			
13	importer (Type 12) . . . . .	\$25.00	\$42.00	\$58.00
14	(13) Distilled spirits			
15	importer's general license			
16	(Type 13) . . . . .	\$348.00	\$366.00	\$384.00
17	(14) Public warehouse			
18	(Type 14) . . . . .	\$33.00	\$46.00	\$58.00
19	(15) Customs broker			
20	(Type 15) . . . . .	\$33.00	\$46.00	\$58.00
21	(16) Wine broker (Type 16)	\$71.00	\$75.00	\$78.00
22	(17) Beer & wine wholesaler			
23	(Type 17) . . . . .	\$147.00	\$202.00	\$256.00
24	(18) Distilled spirits			
25	wholesaler (Type 18) . . .	\$348.00	\$366.00	\$384.00
26	(18a) California brandy			
27	wholesaler (Type 25) . . .	\$348.00	\$366.00	\$384.00
28	(19) Industrial alcohol			
29	dealer (Type 19) . . . . .	\$71.00	\$75.00	\$78.00
30	(20) Retail package off-sale			
31	beer & wine (Type 20) . .	\$105.00	\$157.00	\$209.00
32	(21) Retail package off-sale			
33	general license (Type 21)			
34	and controlled access			
35	cabinet permit (Type 66)	\$431.00	\$448.00	\$464.00



1	(22) On-sale beer (Type			
2	40 & Type 61); On-sale			
3	beer & wine (Type 42);			
4	Special on-sale beer &			
5	wine (Theater) (Type 69);			
6	and Special on-sale			
7	beer & wine (Symphony)			
8	(Type 65) . . . . .	\$204.00	\$210.00	\$215.00
9	(23) On-sale beer & wine			
10	eating place (Type 41) . .	\$236.00	\$263.00	\$290.00
11	(24) On-sale beer & wine			
12	license for trains (per			
13	train) (Type 43) . . . . .	\$48.00	\$68.00	\$87.00
14	(25) On-sale beer license for			
15	fishing party boats (per			
16	boat) (Type 44) . . . . .	\$59.00	\$73.00	\$87.00
17	(26) On-sale beer & wine			
18	license for boats (per			
19	boat) (Type 45) . . . . .	\$75.00	\$81.00	\$87.00
20	(27) On-sale beer & wine			
21	license for airplanes (per			
22	scheduled flight)			
23	(Type 46) . . . . .	\$48.00	\$68.00	\$87.00



1	(28) On-sale general license			
2	(Types 47, 48, 57, 70, 75,			
3	78, 78D (for 78D see			
4	Section 23396.2)) and			
5	club caterer's permit			
6	(Type 58):			
7	—In cities of 40,000			
8	population or			
9	over . . . . .	\$698.00	\$715.00	\$731.00
10	—In cities of less than			
11	40,000 but more			
12	than 20,000			
13	population . . . . .	\$503.00	\$520.00	\$536.00
14	—In all other			
15	localities . . . . .	\$443.00	\$460.00	\$476.00
16	Duplicate on-sale general			
17	license (Types 47D, 48D,			
18	57D) and portable bar			
19	license (Type 68):			
20	—In cities of 40,000			
21	population or over . . .	\$499.00	\$513.00	\$526.00
22	—In cities of less than			
23	40,000 but more than			
24	20,000 population . . .	\$295.00	\$303.00	\$311.00
25	—In all other			
26	localities . . . . .	\$233.00	\$239.00	\$245.00



1	(29) On-sale general license			
2	for seasonal business			
3	(Type 49):			
4	—In cities of 40,000			
5	population or over (per			
6	quarter) . . . . .	\$176.00	\$181.00	\$186.00
7	—In cities of less than			
8	40,000 but more than			
9	20,000 population (per			
10	quarter) . . . . .	\$126.00	\$129.00	\$132.00
11	—In all other localities			
12	(per quarter) . . . . .	\$109.00	\$112.00	\$115.00
13	Duplicate on-sale general			
14	license for seasonal			
15	business (Type 49D):			
16	—In cities of 40,000			
17	population or over (per			
18	quarter) . . . . .	\$126.00	\$129.00	\$132.00
19	—In cities of less than			
20	40,000 but more than			
21	20,000 population (per			
22	quarter) . . . . .	\$74.00	\$76.00	\$78.00
23	—In all other localities			
24	(per quarter) . . . . .	\$59.00	\$61.00	\$62.00



1	(30) (a) On-sale general			
2	license for bona fide			
3	clubs, (b) Club license			
4	(issued under Article 4 of			
5	this chapter), or			
6	(c) Veterans' club license			
7	(issued under Article 5			
8	(commencing with			
9	Section 23450) of this			
10	chapter) (Types 50, 51,			
11	52, & 64):			
12	—In cities of 40,000			
13	population or over . . .	\$400.00	\$411.00	\$422.00
14	—In cities of less than			
15	40,000 but more than			
16	20,000 . . . . .	\$301.00	\$309.00	\$317.00
17	—In all other			
18	localities . . . . .	\$267.00	\$274.00	\$281.00
19	(31) On-sale general license			
20	for trains and sleeping			
21	cars (Type 53) . . . . .	\$156.00	\$160.00	\$164.00
22	—Duplicate on-sale			
23	general license for			
24	trains and sleeping car			
25	companies			
26	(Type 53D) . . . . .	\$46.00	\$52.00	\$58.00
27	(32) On-sale general license			
28	for boats (Type 54) . . . . .	\$402.00	\$413.00	\$424.00
29	(33) On-sale general license			
30	for airplanes (Type 55) .	\$402.00	\$413.00	\$424.00
31	—Duplicate on-sale			
32	general license for air			
33	common carriers			
34	(Type 55D) . . . . .	\$32.00	\$45.00	\$58.00



1	(34) On-sale general license			
2	for vessels of more than			
3	1,000 tons burden (Type			
4	56) and for Maritime			
5	Museum (Type 76) . . . . .	\$156.00	\$160.00	\$164.00
6	—Duplicate on-sale			
7	general license for			
8	vessels of more than			
9	\$1,000 tons burden			
10	(Type 56D) and for			
11	Maritime Museum			
12	(Type 76D) . . . . .	\$46.00	\$52.00	\$58.00
13	(35) On-sale general bona			
14	fide public eating place			
15	intermittent dockside			
16	license for vessels of			
17	more than 7,000 tons			
18	displacement (Type 62) .	\$435.00	\$447.00	\$459.00
19	(36) On-sale special beer &			
20	wine license for hospitals,			
21	convalescent homes, and			
22	rest homes (Type 63) . . .	\$68.00	\$70.00	\$72.00
23	(37) On-sale beer & wine			
24	seasonal (Type 59) and			
25	on-sale beer seasonal			
26	(Type 60)			
27	—Operating period			
28	3–9 months . . . . .	\$161.00	\$171.00	\$180.00
29	—Operating period			
30	3–6 months . . . . .	\$108.00	\$115.00	\$122.00

31  
 32 (b) Beginning January 1, 2005, and each January 1 thereafter,  
 33 the department may adjust each of the fees specified in the  
 34 foregoing section by increasing each fee by the percentage that the  
 35 Consumer Price Index (United States Bureau of Labor Statistics,  
 36 West Region, All Urban Consumers, All Items, Base Period  
 37 1982–84=100) for the preceding April 2003, and each April  
 38 annually thereafter, has increased under the same index over the  
 39 month of April 2002, which shall be the base period. No fee shall  
 40 be decreased pursuant to this adjustment below the fee currently



1 in effect on each December 31. In the event that this index is  
2 discontinued, the department shall consult with the Department of  
3 Finance to convert the increase calculations to an index then  
4 available. When approved by the Department of Finance, the new  
5 index shall replace the discontinued index.

6 (c) The department shall calculate the percentage increase as  
7 specified in subdivision (b) and shall apply this increase to each  
8 fee. The increase to each fee shall be rounded to the nearest whole  
9 dollar. The adjusted fee list shall be published by the department  
10 and transmitted to the Legislature along with the department's  
11 budget submission for the fiscal year in which the adjusted fees  
12 would be implemented. This adjustment of fees and publication of  
13 the adjusted fee list is not subject to the requirements of Chapter  
14 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
15 Title 2 of the Government Code.

16 SEC. 4. Section 23320.2 of the Business and Professions Code  
17 is repealed.

18 ~~23320.2. In addition to the annual fees provided for in Section~~  
19 ~~23320, each license shall bear an annual renewal fee equal to 10~~  
20 ~~percent of the fee provided for in Section 23320. All money~~  
21 ~~collected from the fees provided for in this section shall be~~  
22 ~~deposited in the Alcohol Beverage Control Fund as provided in~~  
23 ~~Section 25761.~~

24 SEC. 5. Section 23320.3 of the Business and Professions Code  
25 is repealed.

26 ~~23320.3. (a) The department shall establish a surcharge~~  
27 ~~applicable to the annual fees provided for in Section 23320.~~

28 ~~(b) The surcharge set by the department shall be proportionate~~  
29 ~~to the fee charged to each licensee pursuant to Section 23320 and~~  
30 ~~shall provide an amount which is sufficient to pay the actual costs~~  
31 ~~charged to the department by the Office of Administrative~~  
32 ~~Hearings for administrative hearings. The surcharge shall not~~  
33 ~~exceed 6 percent applied to the annual fees provided for in Section~~  
34 ~~23320, but shall otherwise be adjusted periodically to ensure that~~  
35 ~~sufficient amounts are collected to pay these costs.~~

36 ~~(c) All money collected from the fees provided for in this~~  
37 ~~section shall be deposited in the Alcohol Beverage Control Fund~~  
38 ~~as provided in Section 25761.~~

39 SEC. 6. Section 23357.2 of the Business and Professions Code  
40 is amended to read:



1 23357.2. (a) An out-of-state beer manufacturer's certificate  
2 may be issued by the department upon the written undertaking and  
3 agreement by the applicant:

4 (1) That it and its agents and all agencies within this state  
5 controlled by it ~~will~~ *shall* comply with all laws of this state and all  
6 rules of the department with respect to the sale of alcoholic  
7 beverages, including, but not limited to, Chapter 12 (commencing  
8 with Section 25000) of Division 9, and Section 25509, to the same  
9 extent as licensees.

10 (2) That it ~~will~~ *shall* make available, both in California and  
11 outside the state, for inspection and copying by the department, all  
12 books, documents, and records, located both within and without  
13 this state, which are pertinent to the activities of the applicant, its  
14 agents and agencies within this state controlled by it, in connection  
15 with the sale and distribution of its products within this state.

16 (b) The department may suspend or revoke an out-of-state beer  
17 manufacturer's certificate for cause in the manner provided for the  
18 suspension or revocation of licenses, and after a hearing which  
19 shall be held in the City of Sacramento or in any other county seat  
20 in this state as the department determines to be convenient to the  
21 holder of an out-of-state certificate.

22 (c) The annual fees for an out-of-state beer manufacturer's  
23 certificate shall be ~~determined by the department, and shall~~  
24 ~~approximate the department's cost of issuance of the certificate~~  
25 *fifty-four dollars (\$54) for certificates issued during the 2002*  
26 *calendar year, fifty-seven dollars (\$57) for certificates issued*  
27 *during the 2003 calendar year, sixty dollars (\$60) for certificates*  
28 *issued during the 2004 calendar year, and for certificates issued*  
29 *during the years thereafter, the annual fee shall be calculated*  
30 *pursuant to subdivisions (b) and (c) of Section 23320.*

31 (d) All money collected from the fees provided for in this  
32 section shall be deposited in the Alcohol Beverage Control Fund  
33 as provided by Section 25761.

34 *SEC. 7. Section 23358.3 of the Business and Professions Code*  
35 *is amended to read:*

36 23358.3. A wine grape grower's storage license authorizes  
37 the holder to store bulk wine, made from grapes produced by the  
38 holder, on the premises of a licensed winegrower and to sell that  
39 wine, within this state, to winegrowers, distilled spirits



1 manufacturers, brandy manufacturers, wine blenders, and vinegar  
2 producers.

3 The annual fee for a wine grape grower's storage license is  
4 ~~fifty-six dollars (\$56)~~ shall be sixty dollars (\$60) for licenses  
5 issued during the 2002 calendar year; sixty-four dollars (\$64) for  
6 licenses issued during the 2003 calendar year; sixty-seven dollars  
7 (\$67) for licenses issued during the 2004 calendar year; and for  
8 licenses issued during the years thereafter, the annual fee shall be  
9 calculated pursuant to subdivisions (b) and (c) of Section 23320.

10 SEC. 8. Section 23366.3 of the Business and Professions Code  
11 is amended to read:

12 23366.3. (a) An out-of-state distilled spirits shipper's  
13 certificate may be issued by the department upon the written  
14 undertaking and agreement by the applicant:

15 (1) That it and its agents and all agencies within this state  
16 controlled by it shall comply with all laws of this state and all rules  
17 of the department with respect to the sale of alcoholic beverages;

18 (2) That it shall make available, both in California and outside  
19 the state, for inspection and copying by the department, all books,  
20 documents, and records, located both within and without the state,  
21 which are pertinent to the activities of the applicant, its agents and  
22 agencies within this state controlled by it, in connection with the  
23 sale and distribution of its products within this state.

24 (b) The department may suspend or revoke an out-of-state  
25 distilled spirits shipper's certificate for cause in the manner  
26 provided for the suspension and revocation of licenses, and after  
27 a hearing which shall be held in the City of Sacramento or in such  
28 other county seat in the state as the department determines to be  
29 convenient to the holder of an out-of-state distilled spirits  
30 shipper's certificate.

31 (c) The annual fees for an out-of-state distilled spirits shipper's  
32 certificate shall be ~~determined by the department, and shall~~  
33 ~~approximate the department's cost of investigation of the applicant~~  
34 ~~and of issuance of such certificate~~ fifty-four dollars (\$54) for  
35 certificates issued during the 2002 calendar year; fifty-seven  
36 dollars (\$57) for certificates issued during the 2003 calendar year;  
37 sixty dollars (\$60) for certificates issued during the 2004 calendar  
38 year; and for certificates issued during the years thereafter, the  
39 annual fee shall be calculated pursuant to subdivisions (b) and (c)  
40 of Section 23320.



1 (d) ~~All money collected from the fees provided for in this~~  
2 ~~section shall be deposited directly in the General Fund of the State~~  
3 ~~Treasury, rather than in the Alcoholic Beverage Control Fund as~~  
4 ~~provided by Section 25761.~~ *All money collected from the fees*  
5 *provided for in this section shall be deposited in the Alcohol*  
6 *Beverage Control Fund, as provided by Section 25761.*

7 *SEC. 9. Section 23389 of the Business and Professions Code*  
8 *is amended to read:*

9 23389. A licensed beer manufacturer may sell and deliver  
10 beer from branch offices located away from his *or her* place of  
11 manufacture and exercise all his *or her* license privileges, other  
12 than manufacture, at or from the branch offices. The department  
13 shall upon request issue to a beer manufacturer a duplicate of his  
14 original license which shall authorize the maintenance and  
15 operation of each branch declared and designated by him *or her*,  
16 upon the payment for each duplicate of ~~an amount equal to the~~  
17 ~~license fee payable for a like period for a wholesale beer and wine~~  
18 ~~license the fee specified in Section 23320.~~

19 Notwithstanding the provisions of any other section of this  
20 division, ~~such~~ *the* duplicate license shall be issued forthwith upon  
21 the application therefor. In the event any protest is received by the  
22 department concerning the issuance of ~~such~~ *the* duplicate license,  
23 the protest shall be considered as an accusation against the licensee  
24 and a hearing had thereon as if an accusation had been filed.

25 For 30 days from the date of the issuance of ~~such~~ *the* duplicate  
26 license, no retail sales of beer shall be made at any branch office  
27 for which a duplicate license is issued pursuant to this section.

28 *SEC. 10. Section 23390 of the Business and Professions Code*  
29 *is amended to read:*

30 23390. A licensed winegrower or brandy manufacturer, in  
31 addition to exercising all the privileges of his *or her* license at his  
32 *or her* licensed premises, may exercise all his *or her* license  
33 privileges at or from branch offices or warehouses, or United  
34 States bonded wine cellars located away from his *or her* place of  
35 production or manufacture, other than production or manufacture,  
36 the sale of wine or brandy to consumers for consumption on the  
37 premises in a bona fide eating place, and the sale or delivery of  
38 wine to consumers in containers supplied, furnished, or sold by the  
39 consumer. The department shall, upon request, issue to a  
40 winegrower or brandy manufacturer a duplicate of his *or her*



1 original license for a location or locations other than his *or her*  
2 wine production or brandy manufacture premises. The duplicate  
3 license authorizes the maintenance and operation of each branch  
4 or warehouse or United States bonded wine cellar declared and  
5 designated by the winegrower or brandy manufacturer at the  
6 location for which the duplicate license is issued. The fee for each  
7 duplicate winegrower's license ~~is an amount equal to the license~~  
8 ~~fee payable for a like period for a wholesale beer and wine license;~~  
9 and for each duplicate brandy manufacturer's license ~~an amount~~  
10 ~~equal to the fee paid for the original license~~ *is as specified in*  
11 *Section 23320.*

12 Notwithstanding the provisions of any other section of this  
13 division, a duplicate winegrower's license or duplicate brandy  
14 manufacturer's license shall be issued forthwith upon the  
15 application therefor. In the event any protest is received by the  
16 department concerning the issuance of ~~such~~ *the* duplicate license,  
17 the protest shall be considered as an accusation against the licensee  
18 and a hearing had thereon as if an accusation had been filed.

19 For 30 days from the date of the issuance of ~~such~~ *the* duplicate  
20 license, no retail sales of wine or brandy shall be made at any  
21 branch office for which a duplicate winegrower's license or  
22 duplicate brandy manufacturer's license is issued pursuant to this  
23 section.

24 Notwithstanding any other provision of law, the department  
25 may allow any person who held more than one original  
26 winegrower's license, on or before January 1, 1981, to transfer any  
27 duplicate license which has been issued, on or before January 1,  
28 1981, on any of the original winegrower's licenses to any other  
29 original winegrower's license held by that person, on or before  
30 January 1, 1981 provided that the licensee cancels the original  
31 winegrower's license from which any duplicate license is  
32 transferred. This subdivision shall not authorize any person to  
33 acquire any additional duplicate licenses other than those held by  
34 that licensee on or before January 1, 1981.

35 *SEC. 11. Section 23399 of the Business and Professions Code*  
36 *is amended to read:*

37 23399. (a) An on-sale general license authorizes the sale of  
38 beer, wine, and distilled spirits for consumption on the premises  
39 where sold. Any licensee under an on-sale general license, a club  
40 license, or a veterans' club license may apply to the department for



1 a caterer's permit. A caterer's permit under an on-sale general  
2 license shall authorize the sale of beer, wine, and distilled spirits  
3 for consumption at conventions, sporting events, trade exhibits,  
4 picnics, social gatherings, or similar events held any place in the  
5 state approved by the department. A caterer's permit under a club  
6 license or a veterans' club license shall authorize sales at these  
7 events only upon the licensed club premises.

8 (b) Any licensee under an on-sale general license or an on-sale  
9 beer and wine license may apply to the department for an event  
10 permit. An event permit under an on-sale general license or an  
11 on-sale beer and wine license shall authorize, at events held no  
12 more frequently than one day in any single calendar quarter, the  
13 sale of beer, wine, and distilled spirits only under an on-sale  
14 general license or beer and wine only under an on-sale beer and  
15 wine license for consumption on property adjacent to the licensed  
16 premises and owned or under the control of the licensee. This  
17 property shall be secured and controlled by the licensee and not  
18 visible to the general public. For purposes of this subdivision,  
19 "calendar quarter" means January 1 to March 31, inclusive, April  
20 1 to June 30, inclusive, July 1 to September 30, inclusive, or  
21 October 1 to December 31, inclusive, of any calendar year.

22 (c) This section shall in no way limit the power of the  
23 department to issue special licenses under the provisions of  
24 Section 24045 or to issue daily on-sale general licenses under the  
25 provisions of Section 24045.1. Consent for sales at each event  
26 shall be first obtained from the department in the form of a catering  
27 or event authorization issued pursuant to rules prescribed by it.  
28 Any event authorization shall be subject to approval by the  
29 appropriate local law enforcement agency. Each catering or event  
30 authorization shall be issued at a fee not to exceed ten dollars (\$10)  
31 and this fee shall be deposited in the Alcohol Beverage Control  
32 Fund as provided in Section 25761.

33 (d) At all approved events, the licensee may exercise only those  
34 privileges authorized by the licensee's license and shall comply  
35 with all provisions of the act pertaining to the conduct of on-sale  
36 premises and violation of those provisions may be grounds for  
37 suspension or revocation of the licensee's license or permit, or  
38 both, as though the violation occurred on the licensed premises.

39 (e) The fee for a caterer's permit for a licensee under an on-sale  
40 general license or an event permit for a licensee under an on-sale



1 general license or an on-sale beer and wine license shall be ~~one~~  
2 ~~hundred dollars (\$100) per year~~ *one hundred four dollars (\$104)*  
3 *for permits issued during the 2002 calendar year, one hundred*  
4 *seven dollars (\$107) for permits issued during the 2003 calendar*  
5 *year, one hundred ten dollars (\$110) for permits issued during the*  
6 *2004 calendar year, and for permits issued during the years*  
7 *thereafter, the annual fee shall be calculated pursuant to*  
8 *subdivisions (b) and (c) of Section 23320, and the fee for a caterer's*  
9 permit for a licensee under a club license or a veterans' club license  
10 shall be ~~a sum equal to the annual fee for an on-sale general license~~  
11 ~~prescribed by as specified in Section 23320,~~ and the permit may  
12 be renewable annually at the same time as the licensee's license.  
13 A caterer's or event permit shall be transferable as a part of the  
14 license.

15 *SEC. 12. Section 23399.4 of the Business and Professions*  
16 *Code is amended to read:*

17 23399.4. (a) A licensee under a winegrower's license may  
18 apply to the department for a certified farmers' market sales  
19 permit. A certified farmers' market sales permit shall authorize the  
20 licensee, a member of the licensee's family, or an employee of the  
21 licensee to sell wine produced and bottled by the winegrower  
22 entirely from grapes grown by the winegrower at a certified  
23 farmers' market at any place in the state approved by the  
24 department. The permit may be issued for up to 12 months but shall  
25 not be valid for more than one day a week at any single specified  
26 certified farmers' market location. A winegrower may hold more  
27 than one certified farmers' market sales permit. The department  
28 shall notify the city, county, or city and county and applicable law  
29 enforcement agency where the certified farmers' market is to be  
30 held of the issuance of the permit. A "certified farmers' market"  
31 means a location operated in accordance with Chapter 10.5  
32 (commencing with Section 47000) of Division 17 of the Food and  
33 Agricultural Code, and the regulations adopted pursuant thereto.

34 (b) The licensed winegrower eligible for the certified farmers'  
35 market sales permit shall not sell more than 5,000 gallons of wine  
36 annually pursuant to all certified farmers' market sales permits  
37 held by any single winegrower. The licensed winegrower shall  
38 report total certified farmers' market wine sales to the department  
39 on an annual basis. The report may be included within the annual



1 report of production submitted to the department, or pursuant to  
2 any regulation as may be prescribed by the department.

3 (c) The fee for any permit issued pursuant to this section shall  
4 ~~be forty dollars (\$40)~~ *forty-four dollars (\$44) for permits issued*  
5 *during the 2002 calendar year, forty-seven dollars (\$47) for*  
6 *permits issued during the 2003 calendar year, fifty dollars (\$50)*  
7 *for permits issued during the 2004 calendar year, and for permits*  
8 *issued during the years thereafter, the annual fee shall be*  
9 *calculated pursuant to subdivisions (b) and (c) of Section 23320.*

10 (d) All money collected as fees pursuant to this section shall be  
11 deposited in the Alcohol Beverage Control Fund as provided in  
12 Section 25761.

13 *SEC. 13. Section 24042 of the Business and Professions Code*  
14 *is amended to read:*

15 24042. Any licensee under an ~~onsale~~ *on-sale* general license  
16 or an ~~onsale~~ *on-sale* general license for seasonal business who  
17 maintains upon or within the premises for which the license is  
18 issued more than one room in which there is regularly maintained  
19 a fixed counter or service bar at which distilled spirits are served  
20 to members of the public for consumption within the licensed  
21 premises shall obtain from the department, and the department  
22 may upon request issue, a duplicate of his *or her* original license  
23 for each room, in excess of one, containing a fixed counter or  
24 service bar and shall post a duplicate of his *or her* original license  
25 in each ~~such~~ room. ~~He shall pay to the department at the time of~~  
26 ~~application for each duplicate license an amount equal to the~~  
27 ~~license fee payable for a like period for the distilled spirits~~  
28 ~~privileges of the original onsale general license or onsale general~~  
29 ~~license for seasonal business.~~ Failure to obtain the duplicate  
30 licenses and to pay the fees and renewal fees ~~therefor~~, *as specified*  
31 *in Section 23320*, shall subject the licensee to the penalties  
32 imposed by this division for failure to obtain an original license or  
33 to pay the renewal fees therefor.

34 ~~Such~~

35 *The duplicate license may be issued to a room reserved for the*  
36 *exclusive use of designated patrons, provided that the department*  
37 *shall, in the event ~~such~~ the license is issued, endorse upon ~~such~~ the*  
38 *license the terms and conditions under which the privileges*  
39 *conferred by the said license may be exercised, and provided*  
40 *further that upon the receipt by the department of the request for*



1 ~~such a~~ the duplicate license written notice thereof which shall  
2 consist of a copy of the request shall immediately be mailed by the  
3 department to the sheriff or chief of police within whose  
4 jurisdiction the premises are situated and no ~~such~~ duplicate license  
5 shall be issued by the department until at least 30 days after such  
6 mailing. Upon receipt by the department within ~~such~~ 30 days of a  
7 protest by the sheriff or chief of police within whose jurisdiction  
8 the premises are situated, the department shall not issue ~~such a~~ the  
9 duplicate license until after a hearing is held by the department  
10 within the county or city affected and said hearing shall be  
11 conducted in accordance with Chapter 5 (commencing with  
12 Section 11500), Part 1, Division 3, Title 2 of the Government Code  
13 and the department shall have all the powers granted therein.

14 A licensee under an ~~onsale~~ on-sale general license, or an ~~onsale~~  
15 on-sale general license for seasonal business, issued for a bona fide  
16 public eating place may obtain a duplicate license or licenses under  
17 this section for rooms which constitute public premises, as defined  
18 in Section 23039, and a licensee under ~~such a~~ the license issued for  
19 public premises may obtain a duplicate license or licenses under  
20 this section for rooms which constitute bona fide public eating  
21 places, except that a duplicate license or licenses for rooms which  
22 constitute bona fide public eating places shall only be issued after  
23 the department has made the investigation and determination  
24 required by Section 23787. Rooms which constitute bona fide  
25 public eating places shall not be considered public premises, as  
26 defined in Section 23039, and the provisions of this division  
27 applicable solely to ~~such~~ these public premises shall not be  
28 applicable to ~~such~~ these rooms.

29 *SEC. 14. Section 24042.5 of the Business and Professions*  
30 *Code is amended to read:*

31 24042.5. Notwithstanding any other provision of this  
32 division, any licensee under an on-sale general or on-sale general  
33 license for seasonal business who has a premises with a fixed  
34 counter or service bar in one room of the premises for the service  
35 of distilled spirits to members of the public for consumption on the  
36 premises and who has other rooms on the premises which can be  
37 utilized for the same purposes by means of a portable bar counter  
38 may elect to request the department to license the portable bar  
39 counter itself rather than the additional rooms as provided in  
40 Section 24042. However, if two or more portable bar counters are



1 utilized at the same time, in the same room, only one portable bar  
2 shall be required to be licensed. The licensee shall pay to the  
3 department at the time of the application for each portable bar  
4 counter an amount equal to the license fee payable for a like period  
5 for the distilled spirits privileges of the original on-sale general  
6 license or on-sale general license for seasonal business. Failure to  
7 obtain the portable bar counter license and to pay the fees and  
8 renewal fees ~~therefor~~, *as specified in Section 23320*, shall subject  
9 the licensee to the penalties imposed by this division for failure to  
10 obtain an original license or pay the renewal fees therefor.

11 *SEC. 15. Section 24045.7 of the Business and Professions*  
12 *Code is amended to read:*

13 24045.7. (a) The department may issue a special on-sale  
14 general license to any nonprofit theater company ~~which~~ *that* has  
15 been in existence for at least 10 years and ~~which~~ *that* is exempt  
16 from the payment of income taxes under Section 23701d of the  
17 Revenue and Taxation Code and Section 501(c)(3) of the Internal  
18 Revenue Code of the United States.

19 Theater companies holding a license under this section may,  
20 subject to Section 25631, sell and serve alcoholic beverages to  
21 ticketholders only during, and two hours prior to and one hour  
22 after, a bona fide theater performance of the company.

23 An applicant for such a license shall accompany the application  
24 with an original issuance fee of one thousand dollars (\$1,000) and  
25 shall pay an annual renewal fee as provided in ~~subdivision (30) of~~  
26 Section 23320.

27 (b) The department may issue a special on-sale beer and wine  
28 license to any nonprofit theater company which has been in  
29 existence for at least eight years, which for at least six years has  
30 performed in facilities leased or rented from a local county fair  
31 association, and which is exempt from the payment of income  
32 taxes under Section 23701d of the Revenue and Taxation Code and  
33 Section 501(c)(3) of the Internal Revenue Code of the United  
34 States.

35 Theater companies holding a license under this subdivision  
36 may, subject to Section 25631, sell and serve beer and wine to  
37 ticketholders only during, and two hours prior to, a bona fide  
38 theater performance of the company. Beer and wine may be sold  
39 from an open-air concession stand which is not attached to the  
40 theater building itself, if the concession stand is located on fair



1 association property within 30 feet of the theater building and the  
2 alcoholic beverages sold is consumed only in the theater building  
3 itself, or within a designated outdoor area in front of and between  
4 the concession stand and the main public entrance to the theater  
5 building. Nothing in this section permits a theater company to sell  
6 beer or wine during the run of a county fair.

7 An applicant for a license under this subdivision shall  
8 accompany the application with an original issuance fee equal to  
9 the annual renewal fee and shall pay an annual renewal fee as  
10 provided in ~~subdivision (23)~~ of Section 23320.

11 *SEC. 16. Section 24045.11 of the Business and Professions*  
12 *Code is amended to read:*

13 24045.11. The department may issue a special on-sale wine  
14 license to an establishment licensed to do business as a bed and  
15 breakfast inn.

16 “Bed and breakfast inn,” as used in this section, means an  
17 establishment of 20 guestrooms or less, which provides overnight  
18 transient occupancy accommodations, which serves food only to  
19 its registered guests, which serves only a breakfast or similar early  
20 morning meal, and with respect to which the price of the food is  
21 included in the price of the overnight transient occupancy  
22 accommodation. For purposes of this section, “bed and breakfast  
23 inn” refers to an establishment as to which the predominant  
24 relationship between the occupants thereof and the owner or  
25 operator of the establishment is that of innkeeper and guest. For  
26 purposes of this section, the existence of some other legal  
27 relationships as between some occupants and the owner or  
28 operator is immaterial.

29 An establishment holding a license under this section is  
30 authorized to serve wine purchased from a licensed winegrower or  
31 wine wholesaler only to registered guests of the establishment.  
32 Wine shall not be given away to guests but the price of the wine  
33 shall be included in the price of the overnight transient occupancy  
34 accommodation. Guests shall not be permitted to remove wine  
35 served in the establishment from the grounds.

36 The applicant for a license shall accompany the application with  
37 an original fee of fifty dollars (\$50) and shall pay an annual  
38 renewal fee of ~~five dollars (\$5)~~ six dollars (\$6) for each guestroom  
39 in the establishment *until December 31, 2004, and for each year*



1 *thereafter the annual fee shall be calculated pursuant to*  
2 *subdivisions (b) and (c) of Section 23320.*

3 *SEC. 17. Section 24045.85 of the Business and Professions*  
4 *Code is amended to read:*

5 24045.85. The department may issue a special on-sale beer  
6 and wine license to any symphony association organized as a  
7 nonprofit corporation more than 30 years before the date of  
8 application and which is exempt from the payment of income taxes  
9 under Section 23701d of the Revenue and Taxation Code and  
10 Section 501(c)(3) of the Internal Revenue Code of 1954 of the  
11 United States.

12 A symphony association holding a license under this section  
13 may sell and serve alcoholic beverages only to persons attending  
14 concerts on the licensed premises. Sales of alcoholic beverages  
15 shall only be permitted, subject to Section 25631, during the  
16 period commencing two hours before the performance and ending  
17 one hour after the performance.

18 The applicant for a license shall accompany the application with  
19 an original fee of three hundred dollars (\$300) and shall pay an  
20 annual renewal fee as provided in ~~subdivision (23) of~~ Section  
21 23320.

22 Original licenses may be issued pursuant to this section until  
23 January 1, 1987; thereafter no new licenses shall be issued.  
24 Licenses originally issued pursuant to this section prior to January  
25 1, 1987, may continue to be renewed annually by the holder  
26 thereof.

27 *SEC. 18. Section 24048 of the Business and Professions Code*  
28 *is amended to read:*

29 24048. Every license, other than a temporary license or a daily  
30 on-sale general license issued pursuant to Section 24045.1, is  
31 renewable unless the license has been revoked if the renewal  
32 application is made and the fee therefor is paid. All licenses expire  
33 at 12 midnight on the last day of the month posted on the license.

34 All licenses issued shall be renewed as follows:

35 (a) On or before the first of the month preceding the month  
36 posted on the license, the department shall mail to each licensee at  
37 his or her licensed premises, or at any other mailing address that  
38 the licensee has designated, an application to renew the license.



1 (b) The application to renew the license may be filed before the  
2 license expires upon payment of the annual fee *as set forth in*  
3 *Section 23320, 23358.3, 23399, or 23399.4.*

4 (c) For 60 days after the license expires, the license may be  
5 renewed upon payment of the annual renewal fee *as set forth in*  
6 *Section 23320, 23358.3, 23399, or 23399.4*, plus a penalty fee that  
7 shall be equal to 50 percent of the annual fee.

8 (d) Unless otherwise terminated, or unless renewed pursuant to  
9 subdivision (b) or (c) of this section, a license that is in effect on  
10 the month posted on the license continues in effect through 2 a.m.  
11 of the 60th day following the month posted on the license, at which  
12 time it is automatically canceled.

13 (e) On or before the 10th day preceding the cancellation of a  
14 license, the department shall mail a notice of cancellation to each  
15 licensee who has not either filed an application to renew his or her  
16 license or notified the department of his or her intent not to do so.  
17 Failure to mail the renewal application in accordance with  
18 subdivision (a) or to mail the notice provided in this subdivision  
19 shall not continue the right to a license.

20 (f) A license that has been canceled pursuant to subdivision (d)  
21 of this section may be reinstated during the 30 days immediately  
22 following cancellation upon payment by cashier's check or money  
23 order of the annual renewal fee *as set forth in Section 23320,*  
24 *23358.3, 23399, or 23399.4*, plus a penalty fee that shall be equal  
25 to 100 percent of the annual fee. A license that has been canceled  
26 pursuant to subdivision (d) of this section and that has not been  
27 reinstated within 30 days pursuant to this subdivision is  
28 automatically revoked on the 31st day after the license has been  
29 canceled.

30 (g) No renewal application shall be deemed filed within the  
31 meaning of this section unless the document itself has been  
32 actually delivered to, and the required renewal fee has been paid  
33 at, any office of the department during office hours, or unless both  
34 the document and fee have been filed and remitted pursuant to  
35 Section 11003 of the Government Code.

36 *SEC. 19. The Department of Alcoholic Beverage Control*  
37 *shall study the feasibility of charging a fee to applicants for, and*  
38 *holders of, licenses for services provided by the department within*  
39 *existing programs, and report the results of the study to the*  
40 *Legislature by January 1, 2003. In conducting this study, the*



1 department shall take into consideration whether the public would  
2 benefit from a “fee for service” policy.

3 Code is amended to read:

4 24200. The following are the grounds that constitute a basis  
5 for the suspension or revocation of licenses:

6 ~~(a) When the continuance of a license would be contrary to~~  
7 ~~public welfare or morals. However, proceedings under this~~  
8 ~~subdivision are not a limitation upon the department’s authority to~~  
9 ~~proceed under Section 22 of Article XX of the California~~  
10 ~~Constitution.~~

11 ~~(b) Except as limited by Chapter 12 (commencing with Section~~  
12 ~~25000), the violation or the causing or permitting of a violation by~~  
13 ~~a licensee of this division, any rules of the board adopted pursuant~~  
14 ~~to Part 14 (commencing with Section 32001) of Division 2 of the~~  
15 ~~Revenue and Taxation Code, any rules of the department adopted~~  
16 ~~pursuant to the provisions of this division, or any other penal~~  
17 ~~provisions of law of this state prohibiting or regulating the sale,~~  
18 ~~exposing for sale, use, possession, giving away, adulteration,~~  
19 ~~dilution, misbranding, or mislabeling of alcoholic beverages or~~  
20 ~~intoxicating liquors.~~

21 ~~(c) The presence on the licensee’s premises of drug~~  
22 ~~paraphernalia, as defined in Section 11014.5 of the Health and~~  
23 ~~Safety Code.~~

24 ~~(d) The misrepresentation of a material fact by an applicant in~~  
25 ~~obtaining a license.~~

26 ~~(e) The plea, verdict, or judgment of guilty, or the plea of nolo~~  
27 ~~contendere to any public offense involving moral turpitude or~~  
28 ~~under any federal law prohibiting or regulating the sale, exposing~~  
29 ~~for sale, use, possession, or giving away of alcoholic beverages or~~  
30 ~~intoxicating liquors or prohibiting the refilling or reuse of distilled~~  
31 ~~spirits containers charged against the licensee.~~

32 ~~(f) Failure to take reasonable steps to correct objectionable~~  
33 ~~conditions on the licensed premises, including the immediately~~  
34 ~~adjacent area that is owned, leased, or rented by the licensee, that~~  
35 ~~constitute a nuisance, within a reasonable time after receipt of~~  
36 ~~notice to make those corrections from a district attorney, city~~  
37 ~~attorney, county counsel, or the department, under Section 373a of~~  
38 ~~the Penal Code. For purposes of this subdivision only, “property~~  
39 ~~or premises” as used in Section 373a of the Penal Code includes~~



1 ~~the area immediately adjacent to the licensed premises that is~~  
2 ~~owned, leased, or rented by the licensee.~~

3 ~~(g) Failure to take reasonable steps to correct objectionable~~  
4 ~~conditions that occur during business hours on any public sidewalk~~  
5 ~~abutting a licensed premises and constitute a nuisance, within a~~  
6 ~~reasonable time after receipt of notice to correct those conditions~~  
7 ~~from the department. This subdivision shall apply to a licensee~~  
8 ~~only upon written notice to the licensee from the department. The~~  
9 ~~department shall issue this written notice upon its own~~  
10 ~~determination, or upon a request from the local law enforcement~~  
11 ~~agency in whose jurisdiction the premises are located, that is~~  
12 ~~supported by substantial evidence that persistent objectionable~~  
13 ~~conditions are occurring on the public sidewalk abutting the~~  
14 ~~licensed premises. For purposes of this subdivision:~~

15 ~~(1) “Any public sidewalk abutting a licensed premises” means~~  
16 ~~the publicly owned, pedestrian-traveled way, not more than 20 feet~~  
17 ~~from the premises, that is located between a licensed premises,~~  
18 ~~including any immediately adjacent area that is owned, leased, or~~  
19 ~~rented by the licensee, and a public street.~~

20 ~~(2) “Objectionable conditions that constitute a nuisance”~~  
21 ~~means disturbance of the peace, public drunkenness, drinking in~~  
22 ~~public, harassment of passersby, gambling, prostitution, loitering,~~  
23 ~~public urination, lewd conduct, drug trafficking, or excessive loud~~  
24 ~~noise.~~

25 ~~(3) “Reasonable steps” means all of the following:~~

26 ~~(A) Calling the local law enforcement agency. Timely calls to~~  
27 ~~the local law enforcement agency that are placed by the licensee,~~  
28 ~~or his or her agents or employees, shall not be construed by the~~  
29 ~~department as evidence of objectionable conditions that constitute~~  
30 ~~a nuisance.~~

31 ~~(B) Requesting those persons engaging in activities causing~~  
32 ~~objectionable conditions to cease those activities, unless the~~  
33 ~~licensee, or his or her agents or employees, feel that their personal~~  
34 ~~safety would be threatened in making that request.~~

35 ~~(C) Making good faith efforts to remove items that facilitate~~  
36 ~~loitering, such as furniture, except those structures approved or~~  
37 ~~permitted by the local jurisdiction. The licensee shall not be liable~~  
38 ~~for the removal of those items that facilitate loitering.~~



1     ~~(4) When determining what constitutes “reasonable steps,” the~~  
2 ~~department shall consider site configuration constraints related to~~  
3 ~~the unique circumstances of the nature of the business.~~  
4     ~~(h) Subdivision (g) does not apply to a bona fide public eating~~  
5 ~~place, as defined in Section 23038, 23038.1, or 23038.2, that is so~~  
6 ~~operated by a retail on-sale licensee or on-sale beer and wine~~  
7 ~~licensee; a hotel, motel, or similar lodging establishment, as~~  
8 ~~defined in subdivision (b) of Section 25503.16; a winegrowers~~  
9 ~~license; a licensed beer manufacturer, as defined in Section 23357;~~  
10 ~~those same or contiguous premises for which a retail licensee~~  
11 ~~concurrently holds an off-sale retail beer and wine license and a~~  
12 ~~beer manufacturer’s license; or those same or contiguous premises~~  
13 ~~at which a retail on-sale licensee or on-sale beer and wine licensee~~  
14 ~~who is licensed as a bona fide public eating place as defined in~~  
15 ~~Section 23038, 23038.1, or 23038.2, a hotel, motel, or similar~~  
16 ~~lodging establishment as defined in subdivision (b) of Section~~  
17 ~~25503.16, a licensed beer manufacturer, as defined in Section~~  
18 ~~23357, or a winegrowers license, sells off-sale beer and wine under~~  
19 ~~the licensee’s on-sale license.~~

