

AMENDED IN SENATE APRIL 18, 1996

**SENATE BILL**

**No. 1901**

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**Introduced by Senator Maddy**

February 22, 1996

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An act to *amend Section 24205 of, and to add Section 24048.5* to, the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1901, as amended, Maddy. Alcoholic beverages: licenses: renewal.

The Alcoholic Beverage Control Act regulates the issuance and renewal of alcoholic beverage licenses. Existing law authorizes the Department of Alcoholic Beverage Control to refuse to transfer any license when the applicant is delinquent in the payment of certain taxes.

This bill would prohibit the department from renewing any license if the applicant is delinquent in the payment of any taxes owed to the State Board of Equalization, as specified.

*The Alcoholic Beverage Control Act requires the suspension of a taxpayer's alcoholic beverage license in the case in which that taxpayer fails to pay any taxes or penalties due under the Alcoholic Beverage Tax Law.*

*This bill would expand this suspension requirement to also apply in the case of a taxpayer who fails to pay any taxes or penalties due under the Sales and Use Tax Law, when that liability arises in whole or in part from the exercise of the privilege of an alcoholic beverage license. This bill would also provide that any suspension under this expanded*

*requirement may only be imposed if the taxpayer is at least 6 months delinquent.*

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 24048.5 is added to the Business  
2 and Professions Code, to read:

3 24048.5. The department shall not renew any license  
4 if the applicant is delinquent in the payment of any taxes  
5 owed to the State Board of Equalization, and the tax  
6 liability arises in full or in part out of the exercise of the  
7 privilege of an alcoholic beverage license.

8 *SEC. 2. Section 24205 of the Business and Professions*  
9 *Code is amended to read:*

10 24205. The license of any taxpayer shall be  
11 automatically suspended upon cancellation of his *or her*  
12 bond, or if the bond becomes void or unenforceable for  
13 any reason, or if the taxpayer fails to pay any taxes or  
14 penalties due under ~~Part~~ *the Sales and Use Tax Law (Part*  
15 *1 (commencing with Section 6001) of Division 2 of the*  
16 *Revenue and Taxation Code), when that tax liability*  
17 *arises in whole or in part from the exercise of the privilege*  
18 *of an alcoholic beverage license, or under the Alcoholic*  
19 *Beverage Tax Law (Part 14 (commencing with Section*  
20 *32001) of Division 2 of the Revenue and Taxation Code*  
21 *Code). The license shall be automatically reinstated if the*  
22 *taxpayer files a valid bond, or pays his or her delinquent*  
23 *taxes, as the case may be. A suspension under this section*  
24 *for a tax delinquency may only be imposed if the taxpayer*  
25 *is at least six months delinquent.*

26 Upon the petition of any taxpayer whose license has  
27 been suspended under this section, a hearing shall be  
28 afforded him *or her* after five days' notice of the time and  
29 place of hearing.

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