

Date of Hearing: April 28, 2022

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Miguel Santiago, Chair

AB 2970 (Committee on Governmental Organization) – As Introduced March 17, 2022

SUBJECT: Department of Alcoholic Beverage Control: legislative reports

SUMMARY: Makes non-controversial and clarifying changes to the Alcoholic Beverage Control Act (ABC Act). Specifically, **this bill:**

- 1) States that no later than 120 days after the close of every other fiscal year, the director of the Department of Alcoholic Beverage Control (ABC) shall prepare and submit to the Legislature a report on the department's activities and post the report on its internet website.
- 2) Recasts current reporting requirements to include information on the amount of funds allocated and spent by ABC for licensing, enforcement, and administration in the previous 5 years, number of licenses issued, renewed, denied, suspended, and revoked, by license category in the previous 5 years, and the number, type, and amount of penalties, fines, and other disciplinary actions taken by the department in the previous 5 years.
- 3) Makes non-substantive and technical changes.

EXISTING LAW:

- 1) The enactment of the 21st Amendment to the U.S. Constitution in 1933 repealed the 18th Amendment and ended the era of Prohibition. Accordingly, states were granted the authority to establish alcoholic beverage laws and administrative structures to regulate the sale and distribution of alcoholic beverages.
- 2) Establishes ABC and grants it exclusive authority to administer the provisions of the ABC 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.
- 3) Requires the Director of Alcoholic Beverage Control, 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 website.
- 4) Prescribes certain topics that the prepared report shall address with reference to a previous fiscal year.

FISCAL EFFECT: This bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

As noted above, existing law requires the Director of 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 its website. This measure would instead, require the report to be prepared and submitted to the Legislature, no later than 120 days after the close of every other fiscal year.

Purpose of the bill. This bill is the annual Assembly Governmental Organization Committee omnibus alcohol committee bill that makes technical, clarifying, conforming, and non-controversial changes to the ABC Act. The language in this proposal would provide the Legislature with more detailed information on the ABC and its yearly activities relating to administration, licensing, and compliance. AB 2970 will help to ensure that the department continues to offer the highest level of service and public safety to the people of the State through licensing, education, and enforcement.

According to the author's office, this measure is intended to align ABC's annual report on activities and enforcement with the timing of their budget tracking and general reporting requirements.

Prior legislation. AB 1425 (Committee on Governmental Organization), Chapter 463, Statutes of 2013. Required ABC to post its annual report to the Legislature on its Internet Web site by March 1 of each year instead of submitting it to the Legislature. This change made the report accessible to interested parties and is consistent with SB 71 (Leno, Chapter 728, Statutes of 2012), which required state agencies to place specified reports on their internet website instead of submitting them to the Legislature.

AB 749 (Hall), Chapter 221, Statutes of 2011. Changed reporting requirements for the ABC relating to its annual report to the Legislature to previous "fiscal year", instead of "calendar year."

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

AB 2413 (Committee on Governmental Organization) Chapter 579 of Statutes of 2002. Required ABC to include within its annual report to the Legislature, the number and type of enforcement activities conducted by local law enforcement agencies in conjunction with the ABC.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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