

SENATE THIRD READING
SB 1370 (Pan)
As Amended August 18, 2022
Majority vote

SUMMARY

This bill allows the Department of Alcoholic Beverage Control (ABC) to issue a special on-sale license to a nonprofit radio broadcasting company that would allow the licensee to sell and serve alcoholic beverages to ticketholders only during, and two hours before and one hour after a bona fide performance, subject to existing requirements and fees applicable to the special on-sale license for a nonprofit theater company. In addition, expands a current provision in law which creates an exception to Tied-house restrictions, by permitting specified licensees to serve on the board of trustees of a nonprofit theater company operating in the County of Napa, the City of Livermore, or the City of Modesto to also include a nonprofit radio broadcasting company and expands the list of cities to include the City of Sacramento.

Major Provisions

- 1) Authorizes ABC to issue a special on-sale license to a nonprofit radio broadcasting company and would provide the application fee for a new license and for annual renewal fees for that license type, as specified.
- 2) Expands an existing Tied-house exception allowing specified ABC licensees to serve on the board of trustees or as an officer, director or employee of a nonprofit theater company in specified local jurisdictions, to additionally allow service to a nonprofit radio broadcasting company and include the City of Sacramento on the list of jurisdictions.
- 3) Clarifies that a nonprofit radio broadcasting company licensed pursuant to this bill shall not be deemed a "Public premises" for the purpose of alcohol sales and allowing persons under 21 years of age on the public premises.
- 4) Makes legislative findings and declarations as to the necessity of a special statute for the City of Sacramento.
- 5) Incorporates amendments to avoid chaptering issues proposed by both this bill and AB 631 (Bloom) of the current legislative session. Each bill amends Business and Professions Code Section 24045.7.

COMMENTS

Background.

Capital Public Radio. CapRadio is the public radio service of the California State University of Sacramento. It comprises two full-power stations and five repeaters, all members of the National Public Radio (NPR). CapRadio traces its roots to KERS, a student radio station that signed on from Sacramento State in 1964. As the Sacramento community was still without a public radio station a decade later, Sacramento State began a campaign to transform KERS into such a public outlet.

The campaign was so successful that by 1985, the station was the eight most listened to NPR station in the country. With the expansion of NPR's schedule in the 1980s, Sacramento State sought and was granted a second station. After expanding their news and art coverage on-air, online, and in-person to meet the growing needs of the Sacramento Community, CapRadio embarked on the CapRadio Reimagine campaign. According to CapRadio, the goal of the campaign is to "accommodate the growth of our content offerings and the staff needed to meet the demand, contribute our energy and creativity to the renewal of downtown Sacramento, and provide fuel for the creative economy and much more."

CapRadio, as part of their CapRadio Reimagined campaign, is constructing a performance and engagement space at the corner of 8th and J Street in downtown Sacramento. The 8,000 square foot space will feature the Sutter Health Center for Community Engagement. The venue will host CapRadio events, allowing audiences to interact directly with news and music content creators. There are also plans to host events in partnership with other community groups and will be made available for rental as a "premier, broadcast, ready venue for a variety of uses."

According to CapRadio's website, the entire venue space is scheduled to open in 2022. Unfortunately, there is currently no single ABC license that can accommodate the unique needs of the new venue. The only option would be for CapRadio to obtain a temporary one-day license each time an event is held and alcoholic beverages are served and sold.

Similar to a current provision in law that allows ABC to issue a special on-sale general license to a nonprofit theater company, this bill allows ABC to issue a special on-sale general license to a nonprofit radio broadcasting company that would authorize the licensee to sell and serve alcoholic beverages to ticket holders only during, and two hours before and one hour after a bona fide performance.

This bill also expands a current provision in law which creates an exception to Tied-house restrictions, by permitting specified licensees to serve on the board of trustees of a nonprofit theater company operating in the County of Napa, the City of Livermore, or the City of Modesto to also include a nonprofit radio broadcasting company and expands the list of cities to include the City of Sacramento. According to the author's office, while this change is currently not needed, the change will help to align this bill with current provisions for nonprofit theater companies.

According to the Author

According to the author's office, "For the past 40 years, CapRadio (Capitol Public Radio) has delivered critical news and has expanded our world through non-profit, non-partisan journalism and professional music curation. Last year, the state recognized the need for greater accessibility to the arts and live journalism engagements and invested in CapRadio – a new performance and engagement space unlike any other currently operating in Sacramento. Unfortunately, CapRadio Live falls short of its goal to be economically stable because it currently does not qualify for any long-term alcohol license types. CapRadio is ready to deliver more, but needs SB 1370 to create a special alcohol license and to ensure that their new venue in downtown Sacramento can be socially and financially viable."

Arguments in Support

According to CapRadio, "SB 1370 is essential for the success of CapRadio Live, our new events experience brand and venue for the local community to convene in person and onstage. Currently under construction in the heart of downtown Sacramento, CapRadio Live will invite guests to

immerse themselves in the news, music, culture, and conversations they care about most. SB 1370 will allow CapRadio to provide tickets that will be low-cost or free for most events to ensure we are creating a truly inclusive space that is reflective of the communities we cover."

According to Downtown Sacramento Partnership, "we strongly support SB 1370 and urge the State Legislature to pass this important bill. This bill is needed to help CapRadio receive its license from the State ABC given the unique public service mission and needs of Cap Radio. It is critical that CapRadio has a successful downtown headquarters and that the programming at CapRadio Live thrives in downtown Sacramento."

Arguments in Opposition

According to Alcohol Justice, "these special licenses are presumably required because the areas they are in already exceed the state threshold for alcohol license overconcentration. Outlet overconcentration is associated with a number of community harms, including dangerous consumption patterns, higher rates of violent crimes, and heightened fear and anxiety among residents. Limiting the density of retailers selling alcohol is one of the key prevention strategies advocated by the CDC-convened Community Preventive Services Taskforce."

FISCAL COMMENTS

According to the Assembly Appropriations Committee, "Minor and absorbable costs to ABC. This committee sees a wide array of bills that propose to modify the scope of alcohol laws. Generally, modest changes such as those proposed by this bill do not generate major new enforcement workload for ABC, but taken together, these proposals could lead to significant new costs and future budget requests. In this case, however, there are few nonprofit radio broadcasting companies and any additional investigations and workload generated by the expansion of the related special on-sale license and tied-house exception should be covered by corresponding licensing fees."

VOTES

SENATE FLOOR: 32-0-8

YES: Allen, Archuleta, Atkins, Bates, Dahle, Dodd, Durazo, Eggman, Glazer, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, Limón, McGuire, Melendez, Min, Nielsen, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Stern, Wieckowski, Wiener, Wilk
ABS, ABST OR NV: Becker, Borgeas, Bradford, Caballero, Cortese, Gonzalez, Newman, Umberg

ASM GOVERNMENTAL ORGANIZATION: 21-0-1

YES: Santiago, Bigelow, Aguiar-Curry, Berman, Bryan, Cooley, Cooper, Megan Dahle, Daly, Davies, Gipson, Jones-Sawyer, Lackey, Low, Mathis, Quirk-Silva, Ramos, Robert Rivas, Blanca Rubio, Salas, Smith
ABS, ABST OR NV: Eduardo Garcia

ASM APPROPRIATIONS: 15-0-1

YES: Holden, Bigelow, Bryan, Calderon, Carrillo, Megan Dahle, Davies, Mike Fong, Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson
ABS, ABST OR NV: Eduardo Garcia

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