

Date of Hearing: June 22, 2022

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Miguel Santiago, Chair

SB 930 (Wiener) – As Amended June 2, 2022

**SENATE VOTE:** Vote not relevant

**SUBJECT:** Alcoholic beverages: hours of sale

**SUMMARY:** Would authorize the Department of Alcoholic Beverage Control (ABC) to create a pilot program, beginning January 1, 2025, and before January 2, 2030, to issue an additional hours license to an on-sale licensee (generally restaurants, bars, taverns, and nightclubs) in a qualified city (Cities of Cathedral City, Coachella, Fresno, Oakland, Palm Springs, and West Hollywood, and the City and County of San Francisco) that would allow the selling, giving, or purchasing of alcoholic beverages at the licensed premises between the hours of 2 a.m. and 4 a.m., upon completion of specified requirements. Specifically, **this bill:**

- 1) Requires ABC, beginning January 1, 2025, and before January 2, 2030, to conduct a pilot program whereby ABC may issue a non-transferable “additional hours license” that would authorize, the selling, giving, or purchasing of alcoholic beverages at an individual on-sale licensed premises between the hours of 2 a.m. and 4 a.m. within a qualified city; and, requires the ABC to adopt rules and regulations as specified.
- 2) Defines a "qualified city" to mean means Cities of Cathedral City, Coachella, Fresno, Oakland, Palm Springs, and West Hollywood, and the City and County of San Francisco.
- 3) Requires the local governing body, as defined, of a qualified city to designate a task force that includes at least one member of law enforcement and one additional member of the Department of the California Highway Patrol (CHP), to develop a recommended local plan that meets all of the following requirements:
  - a) Shows that the public convenience or necessity will be served by the additional hours and identify the area affected by additional hours and the area affected by these additional hours.
  - b) Shows significant support by residents and businesses within the additional hours service area for the additional hours, pursuant to a determination by the local governing body.
  - c) Includes an assessment by the local governing body, prepared in consultation with local law enforcement, regarding the potential impact of an additional hours service area and the public safety plan, created by local law enforcement, for managing those impacts that has been approved by the local governing body. The assessment shall include crime statistics, data derived from police reports, emergency medical response data, sanitation reports, and public health reports related to the additional hours service area.
  - d) Demonstrates that transportation services are readily accessible in the additional hours service area and assess and include programs to increase public awareness of those transportation services.

- e) Includes programs to increase public awareness of the impacts of alcohol consumption.
  - f) Includes an assessment of the potential impact of an additional hours service area on adjacent cities, counties, and cities and counties, including, but not limited to, nearby law enforcement agencies.
  - g) Indicates that the qualified city chooses to participate in the pilot program.
- 4) Requires the local governing body, upon its independent assessment, to adopt an ordinance that satisfies the elements of the local plan, and submits the ordinance to the department.
  - 5) Upon receipt of an adopted ordinance, as specified, including documentation regarding protests to the ordinance, ABC shall review the ordinance to ensure that the ordinance contains the required information, as specified. ABC shall not issue an additional hours license to an applicant if the ordinance from the qualified city does not meet the requirements, as specified. ABC may review ordinances beginning January 1, 2023.
  - 6) Provides a local governing body may comply with this section and approve a local plan and submit an ordinance to the ABC beginning January 1, 2023.
  - 7) Provides that an on-sale licensee may apply for an additional hours license beginning January 1, 2023. ABC may issue additional hours licenses pursuant to this bill beginning January 1, 2023. An additional hours license issued on or after January 1, 2023, and before January 1, 2025, shall become effective on January 1, 2025. An additional hours license issued on or after January 1, 2025, shall become effective on its effective date.
  - 8) Authorizes a local governing body to charge an additional hours licensee a fee to fund local law enforcement.
  - 9) Specifies that an on-sale licensee that has conditions on the license that restrict the hours of sale, service, or consumption of alcohol, to a time earlier than 2 a.m. shall not be eligible for an additional hours license.
  - 10) Requires that all persons engaged in the sale or service of alcohol during the additional hours period complete a responsible beverage-training course.
  - 11) Prohibits the additional hours license is not transferable between on-sale licensed premises.
  - 12) States the determination of the necessity for, and types of, local licensing and local permitting shall be made by the local governing body.
  - 13) Requires ABC, upon receipt of an application, to make a thorough investigation, including whether the additional hours would unreasonably interfere with the quiet enjoyment of their property by the residents of the local community, as specified.
  - 14) Authorizes ABC to deny an application if the issuance of that license would tend to create a law enforcement problem or if issuance would result in or add to an undue concentration of licenses, as specified.
  - 15) Requires the applicant to notify the law enforcement agencies of the city, the residents of the city located within 500 feet of the premises for which an additional hours license is sought,

and any other interested parties, as determined by the local governing body, within 30 consecutive days of the filing of the application, in a manner determined by the local governing body.

- 16) Requires ABC to notify the local governing body and all protesting parties who protests have been accepted of its determination to grant the additional hours license.
- 17) Authorizes any person who has filed a verified protest in a timely fashion that has been accepted to request ABC to conduct a hearing on the issue raised in the protest. The request shall be in writing and filed within 15 business days of the date ABC notifies the protesting party of its determination.
- 18) Restricts access to premises with an additional hours license to patrons 21 years of age or older during the additional hours period. If the person under 21 years of age enters and remains in the licensed premises during the additional hours period, he/she is guilty of a misdemeanor and shall be punished by a fine of no less than \$200 dollars. This provision does not prohibit the presence on the licensed premises of a person under 21 years of age, which is otherwise authorized by law.
- 19) Requires the applicant to pay a nonrefundable fee of \$2,500 at the time of applying for an additional hours license. An original and annual fee for an additional hours license shall be \$2,500. Fees collected shall be deposited into the ABC Fund.
- 20) Provides that in a city that has additional serving hours, any on-sale licensee, or agent or employee of the licensee, who sells or gives to any person any alcoholic beverage or any person who knowingly purchases any alcoholic beverage between the hours of 4 a.m. and 6 a.m. of the same day, is guilty of a misdemeanor.
- 21) On or before January 1, 2029, the CHP shall provide the Legislature and the Senate and Assembly Committees on Governmental Organization with a report on the regional impact of the additional hours service areas, which shall include, but is not limited to, incidents involving driving under the influence and alcohol-related traffic collisions. Regional entities including cities, counties, and law enforcement may provide information to the CHP on the impact the additional hours service areas had in their jurisdiction, including, but not limited to, incidents involving driving under the influence, alcohol-related traffic collisions, and any additional costs accrued.
- 22) Each qualified city that chooses to participate in the pilot program shall provide the Legislature and the Senate and Assembly Committees on Governmental Organization with a report on the regional impact of the additional hours licenses within one year of the first additional hours license being issued in that city, and then once each year thereafter. The report shall include information on any impact the additional service hours had on crime rates in the city, including arrests for driving under the influence and domestic violence. The report shall also include a detailed description of the number of licensees that applied for additional hours licenses, the number of additional hours licenses issued, and conditions placed on those licenses, if any, by ABC.
- 23) Includes a sunset date of January 2, 2030.
- 24) Makes various legislative findings and declarations.

**EXISTING LAW:**

- 1) The enactment of the 21st Amendment to the United States 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 (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.
- 3) Provides that the ABC Act is intended to protect the safety, welfare and morals of the residents of this state, eliminate the unlawful selling and disposing of alcoholic beverages, and to promote temperance in the use and consumption of alcoholic beverages.
- 4) Provides that any on-sale or off-sale licensee, or agent or employee of the licensee, who sells, gives or delivers to any person any alcoholic beverage between the hours of 2 a.m. and 6 a.m. of the same day, and any person who knowingly purchases any alcoholic beverages between those hours, is guilty of a misdemeanor. (Business and Professions Code Section 25632)
- 5) Provides ABC must deny an application for a license if issuance would create a law enforcement problem, or if issuance would result in, or add to, an undue concentration of licenses in the area where the license is desired. For liquor stores and other specified retail licenses, however, the ABC is authorized to issue a license if the respective local government determines that public convenience or necessity would be served by granting the license.
- 6) Caps the number of new on and off-sale general licenses issued by ABC at one for every 2,500 inhabitants of the county where the establishment is located (2,000:1 for on-sale licenses). If no licenses are available from the state due to the population restrictions, those people interested in obtaining a liquor license may purchase one from an existing licensee, for whatever price the market bears. In 1994, the Legislature approved a three-year moratorium on the issuance of new off-sale beer and wine licenses, which at the time was not bound by any population to license restriction. In 1997, this moratorium was made permanent.
- 7) Defines an "on-sale" license as authorizing the sale of all types of alcoholic beverages: namely, beer, wine and distilled spirits, for consumption on the premises (such as at a restaurant or bar):
  - a) On-Sale General: Authorizes the sale of all types of alcoholic beverages: namely, beer, wine and distilled spirits, for consumption on the premises, and the sale of beer and wine for consumption off the premises.
  - b) On-Sale Beer and Wine: Authorizes the sale of all types of wine and malt beverages (e.g., beer, porter, ale, stout and malt liquor) for consumption on and off the premises.
  - c) On-Sale Beer: Authorizes the sale of malt beverages for consumption on and off the premises. (Business and Professions Code Sections 23393, 23394, 23396, and 23399)

- 8) Defines "bona fide public eating place" as a licensed premises that are maintained in good faith and used for the regular service of meals to patrons. The premises must have suitable kitchen facilities and supply an assortment of foods commonly ordered at various hours of the day. There are no restrictions regarding minors entering or remaining on premises licensed and maintained and operated as a bona fide public eating-place.
- 9) States an "off-sale" license authorizes the sale of all types of alcoholic beverages for consumption off the premises in original, sealed containers.

**FISCAL EFFECT:** This bill is keyed fiscal by Legislative Counsel

**COMMENTS:**

Purpose of the bill. According to the author, "Social and nightlife venues are an economic driver in many communities, and the State's food service and entertainment industries generate billions of dollars in consumer spending while employing well over a million Californians. The COVID-19 pandemic had a disproportionate impact on many of these venues, and while some of them are currently seeing increased attendance, others are still struggling to return to their peaks and repay debt accrued in 2020 and 2021."

The author further states, "Currently, our California destination cities are at a disadvantage when competing with cities both nationally and internationally for tourists, conventions, and conferences. Additionally, the 2am mandatory closure time creates stress on public services, transportation, and local law enforcement when patrons are simultaneously pushed out onto the street at the exact same time. SB 930 seeks to solve these issues in a safe and manageable way, while ensuring California's nightlife is provided the tools needed to aid in its recovery."

Background.

ABC oversight in California. 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. In California, this responsibility was originally entrusted to the State Board of Equalization. In 1955, however, the State Constitution was amended to shift this responsibility to the newly established ABC. The intent in establishing the ABC was to create a governmental organization, which would ensure strict, honest, impartial, and uniform administration and enforcement of the state's liquor laws. The ABC is vested with the exclusive authority to license and regulate the manufacture, distribution and sale of alcoholic beverages within California. ABC is a special fund department that receives funding from fees imposed upon alcoholic beverage licensees.

There are more than 92,000 ABC licenses throughout the state. Retail licenses are the most common type of license encountered by the public – this includes on-sale licensees that are authorized to sell alcoholic beverages for consumption on the premises such as restaurants and bars, and off-sale licensees that are authorized to sell alcoholic beverages for consumption off of the premises such as grocery and liquor stores. There are approximately 6,000 on-sale licenses located within "qualified cities" which potentially could be impacted by this bill. The vast majority of these on-sale licenses include Types 40, 41, 42, 47, and 48, which are generally restaurants, bars, taverns, and night clubs. Since 1935, California alcohol licensed businesses have been prohibited from selling, serving and allowing open containers of beverage alcohol to

remain in the public portion of the business from 2 a.m. to 6 a.m. All ABC licenses are renewed annually.

The ABC is required to investigate both the applicant and the premises for which a license is applied to determine if the public would be adversely affected by the license issuance. These investigations include an evaluation of the moral character of the applicant and the suitability of the proposed premises. The ABC must deny an application for a license if issuance would create a law enforcement problem or if issuance would result in, or add to, an undue concentration of licenses in the area where the license is desired.

Under the ABC Act, ABC has the sole authority to suspend, revoke or deny a license if it determines that granting or continuance of the license would be contrary to public welfare or morals. ABC has a clearly delineated disciplinary process for its licensees. The process usually begins with a reported violation then proceeds through an investigation after which an accusation can be filed. ABC conducts administrative hearings with decisions generally proposed by administrative law judges. The process can also include appeals to the ABC Appeals Board and, if necessary and requested, an appeal directly to the California Appellate Courts. However, there is wide variance in the period from the discovery of a violation to a final order of suspension or revocation.

State v. Local Control of Alcohol Policy. ABC is vested with the exclusive authority to license and regulate the manufacture, distribution, and sale of alcoholic beverages within California. Currently, ABC must notify specified local officials of an application for the issuance or transfer of a liquor license, and existing law prohibits ABC from issuing or transferring a license until at least 30 days after these notices are provided. Local officials are also allowed to file a protest against the issuing of the license.

Over the years, local governments have often petitioned the Legislature for greater authority to directly regulate establishments that sell alcohol in respective communities. Much of this activity has been centered on local government's use of zoning laws and conditional use permits that place operating conditions on new businesses that sell alcohol.

In 1995, the ABC Act was amended to allow a local government to comment on a pending alcohol license application. This raised the standard for an on-sale or off-sale licensee in an area of high crime or an over-concentrated census tract to get their license application approved. ABC license applicants need to have the local government indicate that the pending license is a "public convenience or necessity" (PCN). Before a license can be issued, ABC requires an applicant to obtain any zoning permits that may be required by a local municipality. These zoning permits are most often called "conditional use permits" (CUP) and, the CUP process may occur concurrently with the state process.

Historically, the alcohol industry and retailers have opposed ceding to local government any measure of the state's exclusive authority to regulate alcohol. The industry has advocated that matters relating to the regulation of alcohol should be determined at the state level, as opposed to an assortment of local regulations, which may vary from local jurisdiction to local jurisdiction.

Try, Try Again. Since the early 2000s, there have been numerous attempts to extend the time period for alcohol sales past 2:00 a.m. for on-sale establishments (bars, nightclubs and restaurants). Each bill either failed in a policy committee, by a Floor vote, or governor veto. The most recent attempt was SB 58 (Wiener) of 2019. The bill which was substantially similar to this

bill, authorized ABC, to establish a pilot program between January 1, 2022 and January 2, 2027, to allow certain on-sale licensees (bars, nightclubs and restaurants) in ten qualifying cities to sell, give or purchase alcoholic beverages between the hours of 2:00 a.m. and 3:00 a.m., subject to specified requirements and approvals. The bill failed passage (29-35) on the Assembly floor.

SB 905 (Wiener), of the 2017-18 Legislative Session, which was also nearly identical to this bill, would have extended the hours of alcohol sales to 4:00 a.m. for on-sale licensed premises, under specified conditions. Beginning January 1, 2021, and before January 2, 2026, ABC would have conducted a pilot program in the cities of Cathedral City, Coachella, Long Beach, Los Angeles, Oakland, Palm Springs, Sacramento, San Francisco, and West Hollywood. The bill was vetoed by Governor Brown, whose veto message stated:

*“Without question, these two extra hours will result in more drinking. The businesses and cities in support of this bill see that as a good source of revenue. The California Highway Patrol, however, strongly believes that this increased drinking will lead to more drunk driving. California's laws regulating late night drinking have been on the books since 1913. I believe we have enough mischief from midnight to 2 without adding two more hours of mayhem.”*

- See below under the heading “Prior legislation” for other related legislative attempts to extend last call times for alcohol sales in California.

The 2022 legislative attempt. Under this bill, the local governing body of a qualified city must establish a task force, including at least one member of law enforcement and one additional member of the CHP, which will be responsible for developing a recommended local plan. The local plan must, among other things, show that the public convenience or necessity will be served by the additional service hours, identify the service area in which licensed premises would be eligible for additional service hours and further identify the area that would be affected by additional service hours, show significant support by residents and businesses within the additional hours service area, include a public safety plan created by local law enforcement including crime statistics and data derived from various public safety agencies, and show that transportation services are readily available during additional service hours.

Based on the assessment, the local governing body must adopt an ordinance that satisfies the local plan and submit that ordinance to ABC. The on-sale licensee, wishing to obtain an additional hours license, must submit an application for the additional hours privilege, as well as a nonrefundable application fee of \$2,500.

Upon receipt of the ordinance, ABC is required to review the ordinance to ensure compliance with the provisions of this bill. The department is prohibited from issuing an additional hours license to an applicant within a qualified city if the ordinance from that qualified city does not meet all the local plan requirements of this bill.

Each qualified city that chooses to participate in this pilot program is required to provide the Legislature with a report on the regional impact of the additional hours licenses within one year of the first additional hours license being issued in that city, and then once each year thereafter. The report is required to include information on any impact the additional service hours had on crime rates in the city, including arrests for driving under the influence and domestic violence. Additionally, on or before January 1, 2029, the CHP is required to provide the Legislature with a

report on the regional impact of the additional hours service areas, which shall at least include incidents involving driving under the influence and alcohol-related traffic collisions. Regional entities including cities, counties, and law enforcement may provide information to the CHP on the impact the additional hours service areas had in their jurisdiction, including, but not limited to, incidents involving driving under the influence, alcohol-related traffic collisions, and any additional costs accrued.

ABC guesstimate on potential applications to extend hours. According to ABC, there are approximately 6,000 on-sale licenses across the seven pilot cities included in the bill. It is unlikely that all current licensees will apply for an additional hours license, though the specific amount is unknown. ABC estimates that there will be 215 applications in FY 2024-25, 290 in FY 2025-26, and 215 in FY 2026-27. The vast majority of these on-sale licenses include Types 40, 41, 42, 47, and 48, which are generally restaurants, bars, taverns, and nightclubs. This would equate to about 12% of total eligible licensees.

Closing times in various states. Alcohol last call laws for on-sale consumption vary widely from state to state:

Midnight: Mississippi\*

1:00 a.m.-1:30 a.m. – Delaware, Maine, Massachusetts (until 2 a.m. in Boston), Missouri (1:30 a.m. in most of the state; 3 a.m. in specially licensed establishments in the two largest metropolises of St. Louis and Kansas City, and their surrounding areas), Nebraska\*, New Hampshire, North Dakota (some municipalities allow bars to remain open until 2 a.m.), Rhode Island, and Utah.

2:00 a.m.-2:30 a.m. – Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Florida\* (cities have passed exemptions to the law which vary from 3:00 a.m. to 5:00 a.m.), Georgia\*, Iowa, Idaho, Kansas, Kentucky (4 a.m. in Louisville), Maryland, Massachusetts, Michigan, Minnesota, Montana, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Vermont, Virginia, Washington, West Virginia\* (Club licenses in cities like Charleston allow bars to stay open until 3 a.m.), Wisconsin, and Wyoming.

3:00 a.m. to 4:00 a.m. – District of Columbia\*, Indiana, and Illinois\* (closing hours are up to the decision of counties or towns), and Tennessee.

4:00 a.m.-5:00 a.m. – Alaska\*, Hawaii\* and New York\*

24 hours – Louisiana\* (2 a.m. in some municipalities), Nevada, and New Jersey\*

\* Varies by state law or local ordinance

Counties and local municipalities may set/restrict opening and closing times for establishments that sell alcoholic beverages (See sample of states below):

Alaska: 5:00 a.m. while most cities restrict this further, some do not.

District of Columbia: 3 a.m. on Friday night, Saturday night, and the night before a federal or D.C. holiday; 4 a.m. on the night of New Year's Eve and the beginning of daylight saving time; 2 a.m. other nights.

Florida: Last call set statewide to 2 a.m. Some cities have passed exemptions to the law, notably Tampa, St. Petersburg, and Pinellas County who can stay open to 3 a.m., Fort Lauderdale can sell till 4 a.m., Downtown Miami (Miami Entertainment District) is allowed to sell alcohol 24 hours a day, the City of Miami Beach in the South Beach Entertainment District allows some establishments to stay open and serve alcohol until 5 a.m.

Georgia: The city of Atlanta, for example, allows bars and restaurants to serve alcohol from 11 a.m. until midnight on Sundays and from 9 a.m. until 2:30 a.m. Monday through Saturday.

Hawaii: 4 a.m., but not all bars qualify for a 4 a.m. license and must close at 2 a.m.

Illinois: The state doesn't have a set bar closing time, but the latest most counties allow sales is 2 a.m. In Chicago, bars with late night licenses can sell until 4 a.m. Sunday through Friday, and until 5 a.m. Saturday.

Louisiana: There is no statewide closing time. Bars may remain open 24 hours a day. Except, the law provides certain parishes may enact ordinances to regulate the closing times of bars, subject to approval of the qualified electors of the municipality. Bars in cities like New Orleans can serve alcohol for 24 hours without a special license. Some parishes in the state have set a limit, however, and in Baton Rouge last call is at 2 a.m.

Mississippi: Cities in Clay County can stay open until 2 a.m. Most casinos, including those in Biloxi, can sell alcohol 24 hours a day.

New Jersey: No statewide closing time. Most municipalities set their last call at 2 a.m. Atlantic City serves 24 hours.

New York: Under state law, establishments must stop serving alcohol by 4 a.m. However, the actual closing time is left up to each of New York's 62 counties. The 4 a.m. time applies in New York City. Last call is also 4 a.m. in Albany, Buffalo, and Saratoga Springs. Binghamton has a last call of 3 a.m., Syracuse and Rochester have a time of 2 a.m.

South Carolina: Allows counties to set the time, but most are around 2 a.m. No alcohol sales are allowed on Sundays except in Aiken City, Columbia, Charleston, Greenville, North Augusta, Spartanburg and Myrtle Beach.

West Virginia: 2 a.m. but Club licenses in cities like Charleston allow bars to stay open until 3 a.m.

In support. The City of Palm Springs writes, "Currently, our California destination cities are at a disadvantage when competing with cities both nationally and internationally for tourists, conventions, and conferences. California must compete with Chicago, Washington D.C., New York City, Las Vegas, Atlanta, Miami Beach, and New Orleans, all of whom have late-night service hours beyond 2 a.m. SB 930 would align California with at least 15 other states where local jurisdictions have the authority to decide alcoholic beverage service hours. Furthermore, this pilot program applies to only seven cities. Social and nightlife venues are an economic driver in these communities, and the state's food service and entertainment industries generate billions of dollars in consumer spending, and employ well over a million Californians. SB 930 provides an optional tool for local control over nightlife that will increase tax revenue and tourism as well as revitalize business districts."

The California Travel Association writes in support, “The tourism industry is one of the largest economic drivers for the state. Prior to COVID-19, in 2019 visitors to California spent \$145 billion, spending that supported over 1.2 million jobs, and \$12.2 billion in state and local taxes. The pandemic cut travel and hospitality jobs nearly in half and California lost \$79.8 billion in visitor spending in 2020—a 55% decline. Our industry began its recovery in 2021, but remains well short of 2019 levels in employment, visitor spending, and taxes generated. Our iconic gateway cities have been particularly hard hit with the downturn in international visitors and convention business. Social and nightlife venues are an economic driver in these communities. SB 930 is a reasonable solution that provides certain cities the ability to participate in a pilot program that will give them additional tools to enhance their local economies and help entice more visitors to California.”

The West Hollywood Travel + Tourism Board (Visit West Hollywood) writes, “Social and nightlife venues are an economic driver in many communities, and the state’s food service and entertainment industries generate billions of dollars in consumer spending while employing well over a million Californians. The COVID-19 pandemic had a disproportionate impact on many of these venues, and while some of them are currently seeing increased attendance, others are still struggling to return to their peaks and repay debt accrued in 2020 and 2021. Currently, our California destination cities are at a disadvantage when competing with cities both nationally and internationally for tourists, conventions, and conferences. Additionally, the 2 a.m. mandatory closure time creates congestion and stress on public services, transportation, and local law enforcement when patrons are simultaneously pushed out onto the street at the exact same time. The current California one-size-fits-all model for late-night closing times does not take into account our diverse communities and their varying needs. These local communities should be allowed to develop transparent local plans that bring the public, local government, law enforcement, and transportation all to the table.”

The City and County of San Francisco writes, “While our city continues to make exciting progress in its economic recovery, the COVID-19 pandemic has had a devastating impact on our restaurants, bars, performing arts spaces, and music venues. Enabling additional service hours would significantly help San Francisco’s nightlife sector to recover from the pandemic and would enhance the City’s overall vibrancy. Later alcohol service hours would enable restaurants to remain open for dining by swing-shift and overnight workers and other late-night patrons. Additional hours would also help music venues to host more performances by local musicians and would make our City more competitive in attracting tourists, conferences, and conventions. Extending and staggering closing times could also reduce sidewalk congestion, noise, and the potential for interpersonal conflicts as patrons leave nightlife businesses at the end of an evening. SB 930 would establish a thoughtful, balanced approach to implement additional service hours in restaurants, bars, and music venues in San Francisco. The bill would ensure that the task force designated with developing a local implementation plan appropriately considers public safety, land use, potential conflicts with neighbors, transportation, and other elements in order to develop a plan specifically tailored to San Francisco’s needs. Moreover, the San Francisco Board of Supervisors would need to approve the plan prior to its submission to ABC to ensure that the plan appropriately balances all these important interests.”

In opposition. Opponents outline numerous health and safety concerns and state SB 930 will lead to quality of life deterioration, drinkers driving from areas where bars close earlier to bars with later last calls, late night drinkers sharing the road with early morning commuters, and increased alcohol-related harm, including DUI accidents and fatalities. They further note the lack of

resources and enforcement capacity to deal effectively with the extra service hours and mitigate the additional harms of late night drinking. Law enforcement is already over extended trying to cover existing closing times. Extending the hours to 4:00 a.m. creates the opportunity for customers to become more intoxicated and more fatigued. Public transportation options are already limited at 2:00 a.m. and will be even more at 4:00 a.m. Furthermore, it will have regional consequences, especially for municipalities within driving distance of cities who adopt a later closing time forcing neighboring cities to absorb increased financial and societal burden related to DUI.

Opponents further note that SB 930 lacks any evidence to support claims that extending hours of sale would not increase alcohol-related harm. Forty years of peer-reviewed, public health research finds that two or more hours of increased alcohol sales will produce increases in alcohol consumption and related problems including violence, emergency room admissions, injuries, alcohol-impaired driving, and motor vehicle crashes. Alcohol Justice, states concern with the bills potential to cause increased violence, traffic deaths, and alcohol abuse, particularly within the LGBTQ+ community.

The Barbary Coast Neighborhood Association writes, “There are a number of areas throughout the state where entertainment activities are adjacent to residential neighborhoods. Our organization represents a neighborhood directly affected by the traffic, noise and unruly behavior caused by nightlife on the Broadway corridor. We experience a great deal of noise generated by loud intoxicated crowds, car horns, and music from open club doors. On many nights, patrons of Broadway businesses have spilled into surrounding residential areas with behavior that makes some residents apprehensive and uncomfortable. Other residents have lost sleep. Two more hours of alcohol sales won’t lessen those impacts. This bill would encourage more people to drive from areas where bars close earlier to those where bars close later. In addition, the inevitable increase in public disturbances will create more burdensome workload on police and first responders.”

The California Association of Highway Patrolmen, representing approximately 14,000 active and retired CHP Officers, writes, “With bars closing near the commute hour, there will be more drivers on the road and the likelihood of drunk driving accidents will increase substantially.”

The California Alcohol Policy Alliance writes, “Extended last call times have been introduced repeatedly in California, and failed. This bill would create hotspots of alcohol overconsumption. Hotspots lure risky drinkers, who then return home. Trading economic benefit for a very few nightclub operators for public health and safety disruption across wide swaths of outlying cities. Extended last call times only benefit bars by allowing them to sell more alcohol. Ridesharing is only a tremendous asset for the wealthy. Lower income individuals coming from the abovementioned communities, however, will take the cheaper option—driving. Already communities of color are over policed and more likely to be targeted for DUI stops out of proportion to the amount of hazardous drinking they engage in. The pipelines from low-income communities to the communities profiting from extended last call times will be a bonanza for motor vehicle stops.”

Prior legislation. SB 58 (Wiener of 2019). Would have authorized ABC to create a pilot program, beginning January 1, 2022, and before January 2, 2027, to issue an additional hours license to an on-sale licensee in a qualified city (Cathedral City, Coachella, Fresno, Long Beach, Los Angeles, Oakland, Palm Springs, Sacramento, San Francisco, and West Hollywood) that

would allow the selling, giving, or purchasing of alcoholic beverages at the licensed premises between the hours of 2 a.m. and 3 a.m., upon completion of specified requirements. (Failed passage on the Assembly floor)

SB 905 (Weiner of 2018). The bill, beginning January 1, 2021, and before January 2, 2026, would have required ABC to conduct a pilot program to allow the department to issue an additional hours license to an on-sale licensee located in a qualified city (Cathedral City, Coachella, Long Beach, Los Angeles, Oakland, Palm Springs, Sacramento, San Francisco, and West Hollywood) to sell, give, or purchase alcoholic beverages at the licensed premises between the hours of 2 a.m. and 4 a.m., as defined. The measure was vetoed by Governor Brown with the veto message. The veto message is listed above in the analysis.

SB 384 (Weiner) of 2017. Would have established a process whereby an on-sale licensee would have been able to apply to the ABC for the privilege of extending hours of alcohol sales from 2 a.m. to 4 a.m., in any city where the local government approved and certified a local plan, and submitted the plan to ABC. *(In the Assembly Appropriations Committee, the bill was gut and amended to require ABC, on or before April 1, 2018, to convene and appoint members to an Extended Hours for Alcohol Sales Task Force that would be required to provide a report to the Legislature regarding the potential community, fiscal, health or safety impact of extending the hours of alcohol sales to 4 a.m.)*

SB 635 (Leno) of 2013. Would have allowed an on-sale alcohol licensee to apply to ABC to authorize, with or without conditions, the selling, giving, delivering, or purchasing of alcoholic beverages at the licensed premises between the hours of 2 a.m. and 4 a.m., upon completion of specified requirements by the local jurisdiction in which the licensee is located. (Failed passage in Senate Governmental Organization Committee)

AB 2433 (Leno) of 2004. Would have extended the hours of alcohol sales for on-sale licensees in the City and County of San Francisco from 2 a.m. to 4 a.m. (Failed passage in Assembly Governmental Organization Committee)

AB 701 (Horton), Chapter 40, Statutes of 2003. Would have provided that an on-sale license that is open for business and sells or offers for sale alcoholic beverages past 1 a.m. may not sell or serve more than one alcoholic beverage to a person less than 15 minutes prior to closing time. (Failed passage in Senate Governmental Organization Committee)

AB 1885 (Lipscomb), Chapter 152, Statutes of 1953. Codified SB 919, (Pierovich), Chapter 330, Statutes of 1935, of the ABC Act. In part, prohibited the sale of alcoholic beverages by an on-sale licensee between the hours of 2 a.m. and 6 a.m.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Bay Area Council  
California Teamsters Public Affairs Council  
California Travel Association (CALTRAVEL)  
City of Cathedral City  
City of Palm Springs  
Greater Palm Springs Convention & Visitors Bureau

Independent Hospitality Coalition  
London Breed, Mayor of San Francisco  
City of Oakland  
Visit Oakland  
West Hollywood Travel & Tourism Board

**Oppose**

Alcohol Justice  
Barbary Coast Neighborhood Association  
California Alcohol Policy Alliance  
California Association of Highway Patrolmen  
California Council on Alcohol Problems (CCAP)  
Mothers Against Drunk Driving (MADD)

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