

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 1008 Author:(Addis)

As Amended Ver:July 1, 2025

Majority vote

SUMMARY

The bill would allow authorize the Department of Alcoholic Beverage Control (ABC) to issue, in the County of San Luis Obispo, a total of 10 additional new original on-sale general licenses for bona fide public eating places, but no more than five licenses per year, as specified.

Senate Amendments

Move the current language in the measure into a new section within the Business and Professions Code to avoid chaptering conflicts with other related bills.

COMMENTS

Background. A Type 47 license is specifically designated for businesses that primarily serve food ("bona fide eating place"). The license is meant for those who seek to serve beer, wine, and distilled spirits for consumption on the licenses premises. The license holder must maintain suitable kitchen facilities and make actual and substantial sales of meals for consumption on the premises. Generally, this means that the business must generate at least 51 percent of all gross sales from food. Minors are allowed on the premises.

A Type 47 license is one of the most common types of liquor licenses for restaurants in California. Some common businesses that use the Type 47 license include full-service restaurants, hotels and resorts, bowling alleys, golf courses, and other eating establishments. There are 17,097 on-sale general (Type 47) licenses statewide.

Existing law limits the number of new on-sale general licenses ABC may issue based on the population growth of the county in which the licensed premises are located. The ratio is one on-sale general license for each 2,000 residents. ABC's formula generally works for most counties, sometimes the demand for licenses far outweighs the population-based allotment, generally due to the county's slower population growth or the local economy's reliance on tourism. When a county reaches its license cap, businesses looking to obtain one may need to purchase one on the secondary market, where prices are driven by supply and demand and can be quite significant.

This bill authorizes ABC to additionally issue, outside of ABC's population-based formula, up to 10 new Type 47 licenses in the County of San Luis Obispo.

According to the Author

According to the author, "California's current system of allocating alcohol licenses based on population growth creates challenges for communities with tourism-based economies like San Luis Obispo County. Despite the fact that the county's population growth has remained steady, tourism in has grown exponentially, driving an increased demand for alcohol licenses. When alcohol licenses are unavailable, it creates an unregulated secondary market where licenses sell for hundreds of thousands of dollars. This prevents existing restaurants from expanding their offerings and deters new restaurants and commercial developments from opening their doors. AB 1008 will alleviate this problem by authorizing up to 10 additional on-sale general licenses to

be issued in the county, driving job growth, increased tax revenue, and the continued development of the tourism industry."

Arguments in Support

The San Luis Obispo County Board of Supervisors writes, "Although population growth in SLO County has remained steady, tourism has grown exponentially, and tourist demand is driving an increased demand for alcohol licenses. The problem, however, is that a new on-sale general license has not been issued in the county since 2014. This deters new restaurants and commercial developments from opening in the county. This measure will enable local businesses to respond to the growing demand resulting from increased tourism."

Arguments in Opposition

None on file

FISCAL COMMENTS

According to the Senate Committee on Appropriations, pursuant to Senate Rule 28.8, negligible state costs.

VOTES:

ASM GOVERNMENTAL ORGANIZATION: 21-0-1

YES: Blanca Rubio, Davies, Alvarez, Berman, Bryan, Carrillo, Dixon, Fong, Gabriel, Gipson, Macedo, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Sanchez, Solache, Ta, Valencia, Wallis

ABS, ABST OR NV: Soria

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 78-0-1

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Stefani

SENATE FLOOR: 40-0-0

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNeerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

UPDATED

VERSION: July 1, 2025

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FN: 0001519