
SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION
Senator Steve Padilla
Chair
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Author:	Haney, et al.		
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Consultant:	Felipe Lopez		

SUBJECT: Alcoholic beverages: hours of sale: hospitality zones

DIGEST: This bill authorizes, until January 1, 2031, on-sale licensees to sell alcoholic beverages on any state holiday, as specified, and on every other Friday or Saturday, between the hours of 2 a.m. and 4 a.m. in a Hospitality Zone or a Special Event Hospitality Zone, as specified.

ANALYSIS:

Existing law:

- 1) Establishes the Department of Alcoholic Beverage Control (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.
- 2) 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.
- 3) Provides that the Department of ABC must deny an application for a license if issuance would create a law enforcement problem, or if the issuance would result in, or add to, and undue concentration of licenses in the area where the licensee is desired.

- 4) 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.
- 5) Establishes the Responsible Beverage Service (RBS) Training program that requires the Department of ABC to develop, implement, and administer a curriculum for an RBS training program for servers of alcohol and their managers, as specified. Alcohol servers are required to successfully complete an RBS training course offered or authorized by the Department of ABC.
- 6) 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). An “off-sale” license authorizes the sale of all types of alcoholic beverages for consumption off the premises in original, sealed containers.
- 7) Caps the number of new on and off-sale general licenses issued by the Department of ABC at one for every 2,500 inhabitants of the county where the establishment is located for off-sale licenses, and 2,000:1 for on-sale licenses. If no licenses are available from the state due to the population restrictions, those individuals interested in obtaining a liquor license may purchase one from an existing licensee, for whatever price the market bears.
- 8) Authorizes, until January 1, 2030, alcoholic beverage sales to occur between 2 a.m. and 4 a.m. upon the on-sale licensed premises operated in a fully enclosed arena with a seating capacity of at least 18,000 seats located in the City of Inglewood (Intuit Dome), as specified. The licensee is required to file a request with the governing body of the City of Inglewood for adoption of an ordinance that would allow that activity, notify local enforcement agencies of the request, and if such an ordinance is adopted, submit the ordinance to the Department of ABC, as specified. (California Business and Professions Code § 23398.7 and 25631.5.)
- 9) Defines “entertainment zone” as a zone created by a city, county, or city and county ordinance on or after January 1, 2025, that authorizes consumption of one or more types of alcoholic beverages on public sidewalks, or public rights-of-way. Existing law authorizes any city, county, or city and county to establish an entertainment zone, subject to the above-described requirements. Before enacting an ordinance to establish or modify an entertainment zone, a city, county, or city and county is required to notify local law enforcement and

request feedback around specific information, including, among others, the entertainment zone's proposed boundaries and days and hours of operation. Existing law requires the local governing body that establishes an entertainment zone, or its designated subordinate officer or body, to review the operation of the entertainment zone every two years following the adoption of the entertainment zone, as specified. (Business and Professions Code § 23039.5. and 23357)

- 10) Governs, under the Administrative Procedures Act (APA), the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law (OAL).

This bill:

- 1) Authorizes, until January 1, 2031, an on-sale licensee who holds an additional serving hours license established by this bill, to sell alcoholic beverages on any day that is declared by the Governor to be an official state holiday or is a holiday listed on CalHR's internet website, and on every other Friday or Saturday, between the hours of 2 a.m. and 4 a.m. in a Hospitality Zone or a Special Event Hospitality Zone, as specified.
- 2) Requires the local governing body of the city and county, in which the licensed premises is located to adopt an ordinance that meets both of the following:
 - a) Indicate that the local governing body will allow additional serving hours licenses in any Hospitality Zone determined by the local governing body.
 - b) Identify the Hospitality Zone in which an on-sale licensed premises would be eligible for an additional serving hours license.
- 3) Requires local law enforcement, before the local governing body adopts the ordinance, to present to the local governing body a late night policing plan that includes all of the following components:
 - a) A targeted deployment schedule.
 - b) A description on the necessary staffing numbers based on the time of night.
 - c) Relevant crime statistics.
 - d) An analysis on the potential impact of creating a Hospitality Zone on public safety.
 - e) A recommendation on whether a Hospitality Zone should be created.

- 4) Requires the local governing body to draw or otherwise identify on a map of the local area the boundary of each Hospitality Zone, which may or may not include the entire city or county, and include each zone.
- 5) Requires the local governing body in drawing or otherwise identifying each Hospitality Zone to consider all of the following:
 - a) The cultural, historic, and economic appropriateness of the zone.
 - b) A study conducted, and a report provided, by the local government body on the safety and transportation of the zone.
 - c) Means to increase the local governing body's safety plan.
 - d) The walkability of the zone.
 - e) The proximity of the zone to hotels and major arenas and conventions centers
- 6) Requires the local governing body to consider and identify the area that will be affected by the additional serving hours and demonstrate how that area will benefit from the additional serving hours.
- 7) Requires the local governing body to consider all of the following:
 - a) An assessment by the local governing body, prepared in consultation with local law enforcement, regarding the potential impact of the additional serving hours and the public safety plan, created in consultation with 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 additional serving hours area.
 - b) As assessment by the local governing body on the impact of the local law enforcement budget and feasibility of increasing the budget within the Hospitality Zone.
 - c) An assessment by the local governing body, prepared in consultation with the county transportation authority, regarding the potential impact of an additional serving hours area and a transportation plan, prepared in consultation with the county transportation authority, for managing transportation impacts that has been approved by the local governing body.
 - d) Whether funding has been identified to carry out the local transportation agency's transportation plan.
 - e) Whether transportation services are readily accessible in the additional serving hours area during the additional serving hours.

- f) Programs to increase public awareness of the transportation services available in the additional services area.
- 8) Requires the local governing body to set a maximum number of additional serving hours license permitted in each Hospitality Zone. The total number of licenses across all hospitality zones shall not exceed one license for every 6,000 residents in the city or county, as specified.
- 9) Provides that an additional serving hours license may be used by a licensed premises in a Special Event Hospitality Zone if the local governing body adopts an ordinance that indicates that the local governing body will allow additional serving hours in Special Event Hospitality Zones and does either of the following:
 - a) Identifies a Special Hospitality Zone and submits the ordinance to the Department of ABC.
 - b) Authorizes at least one local department or other local entity to identify Special Event Hospitality Zones.
- 10) Requires the local governing body, or the local department, or other local entity authorized by the local governing body, to identify a Special Event Hospitality Zone in which an on-sale licensed premises would be eligible for an additional serving hours license.
- 11) Requires the local governing body, or the local department, or other local entity to draw or otherwise identify on a map of the local area the boundary of each Special Event Hospitality Zone, which may or may not include the entire city or county, and include a description of each zone.
- 12) Requires the local governing body, or the local department or other local entity, in drawing or otherwise identifying each Special Event Hospitality Zone, to consider all of the following:
 - a) The cultural, historic, and economic appropriateness of the zone.
 - b) A study conducted by, and a report provided by, the local governing body on the safety and transportation availability of the zone.
 - c) Means to increase the local governing body's safety plan.
 - d) The walkability of the zone.
 - e) The proximity of the zone to hotels and major arenas and convention centers.

- 13) Requires the local governing body, or the local department or other local entity to further identify the area that will be affected by the additional serving hours and demonstrate how that area will benefit from the additional serving hours.
- 14) Provides that the local governing body, or the local department, or other local entity shall identify the duration in which each Special Event Hospitality Zone is operative. The bill provides that a Special Event Hospitality Zone shall not be operative for more than one month. However, the bill also provides that the local governing body may adopt an ordinance to extend the duration of a Special Event Hospitality Zone. There are no limit to the number of times that a Special Event Hospitality Zone can be extended.
- 15) Requires the Department of ABC, by June 1, 2026, to adopt rules and regulations to enforce the provisions of this bill.
- 16) Provides that a local governing body may comply with this bill and submit an ordinance to the Department of ABC beginning on June 1, 2026.
- 17) Prohibits all additional serving hours licenses from allowing the off-premises consumption of alcoholic beverages of alcoholic beverages between 2 a.m. and 4 a.m.
- 18) Requires the Department of ABC, upon receipt of an ordinance, to review the ordinance to ensure that the ordinance contains the information required for the ordinance. The department shall not issue an additional serving hours license to an applicant if the ordinance does not meet the requirements of the bill.
- 19) Provides that if an on-sale licensee has conditions on the license that restricts the hours of sale, service, or consumption of alcohol to a time earlier than 2 a.m., an additional serving hours license shall not authorize any additional serving hours for any day or days of the week during which a restriction exists.
- 20) Prohibits off-sale privileges from being exercised during the additional serving hours during additional serving hours.
- 21) Authorizes the local governing body to charge an additional serving hours licensee fee to fund local law enforcement.
- 22) Requires the Department of ABC, upon application by an on-sale licensee for an additional serving hours license, to make a thorough investigation, including whether the additional serving hours license sought by the applicant would

unreasonably interfere with the quiet enjoyment of their property by the residents of the city or county, in which the applicant's licensed premises are located, as specified.

- 23) Requires the applicant for an additional serving hours license to notify the law enforcement agencies of the city or county, the residents of the city or county located within 500 feet of the premises for which an additional serving hours license is sought, and any other interested parties, as determined by the local governing body, of the application within 30 consecutive days.
- 24) Authorizes protest to be filed at any office of the department, as specified, and authorizes the department to reject protests, as specified.
- 25) Provides that an additional serving hours license shall be restricted to patrons 21 years of age or older during the additional serving hours. Any person under 21 years of age who enters and remains in the licensed premises during the additional serving hours without lawful business is guilty of a misdemeanor and shall be punished by a fine of not less than \$200. The bill provides that this paragraph does not prohibit the presence on the licensed premises of a person under 21 years of age that is otherwise authorized by law.
- 26) Provides that the fee for an additional serving hours license is \$2,500, adjusted annually by the Department of ABC for inflation based on changes to the California Consumer Price Index.
- 27) Requires a local governing body that authorized a Hospitality Zone to provide to the Legislature a report, as specified, on its regional impact within one year of the first additional serving hours license issued in that city or county, and then once each year thereafter. The report shall include information on any impact that the additional serving hours have on crime rates in the city or county, 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 serving hours licenses, the number of additional serving hours licensed issued, and conditions placed on those licenses by the department, if any.
- 28) Requires, on or before, January 1, 2029, the Department of the California Highway Patrol to provide to the Legislature report on the regional impact of the hospitality zones established under this bill. The report shall include, but not limited to, information on incidents involving driving under the influence and alcohol-related traffic conditions.

Background

Author Statement. According to the author's office, "to escape the downward spiral of our downtowns, cities, across the state need to shift focus from only service office workers and instead become 24/7 environments that are popular day and night. The downtowns with high levels of activity on the weekends are also the downtowns with the most potential to flourish after work hours. One of the tools allowing them to do so is extending nightlife hours from 2:00 am to 4:00 am on certain days. The extra two hours will make California cities competitive to attract music festivals and convention center events that will draw thousands of tourists. It will also allow small businesses to increase revenue over the weekends, which will allow them to host happy hours, trivia nights, etc. on week days that will bring out crowds and revitalize downtowns."

The Department of ABC and Alcohol in California. 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. 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 then newly established Department of ABC. The intent in establishing the Department of ABC was to create a governmental organization, which would ensure strict, honest, impartial, and uniform administration and enforcement of the state's alcohol laws. The Department of ABC is vested with the exclusive authority to license and regulate the manufacture, distribution and sale of alcoholic beverages within California. The Department of ABC is a special fund department that receives funding from fees imposed upon alcoholic beverage licensees.

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. According to the Department of ABC, there are approximately 48,500 on-sale license across the state. 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.

The Department of 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 Department of 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, the Department of 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. The Department of 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. The Department of 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 vs. Local Control of Alcohol Policy. The Department of ABC is vested with the exclusive authority to license and regulate the manufacture, distribution, and sale of alcoholic beverages within California. Currently, the Department of ABC must notify specified local officials of an application for the issuance or transfer of a liquor license, and existing law prohibits the Department of 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, raising the standard for an on-sale or off-sale licensee in an area of high crime or an over-concentrated census tract. 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.

Last Call in Other States. The end of alcohol service at on-sale establishments, commonly referred to as “last call,” can vary dramatically from state to state. The State of Maine for example has last call at 1:00 a.m., while the State of Nevada allows for the sale of alcohol 24-hours a day. The states of Louisiana and New Jersey also allow for the sale of alcohol 24-hours a day; however these two states have authorized counties and local municipalities to set or restrict opening and closing times for on-sale establishments. For instance, bars in cities like New Orleans can serve alcohol for 24-hours a day but in Baton Rouge, last call is at 2 a.m. In New Jersey, most municipalities set their last call at 2 a.m. but Atlantic City serves 24-hours a day.

Some larger states, including states with high rates of tourism, have allowed for extended service in densely populated urban centers. Examples include the state of New York, which authorizes establishments to serve until 4 a.m., however the actual closing time is left up to each of New York's 62 counties. In Florida, last call is set statewide at 2 a.m. However, 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., and the City of Miami Beach in the South Beach Entertainment District allows some establishments to stay open and serve alcohol until 5 a.m.

United States Studies on Extending Alcohol Sales. Several U.S.-based studies have examined the public safety implications of extending alcohol sales, particularly regarding increased access through longer service hours or additional days of sale. One notable study conducted in New Mexico found that lifting the state's ban on Sunday off-premise alcohol sales led to a 29% increase in alcohol-related vehicle crashes and a 42% increase in fatal crashes on Sundays. This represented approximately 543 additional crashes and about 42 extra fatalities. This study highlighted how even moderate extensions of availability could lead to significant public health consequences.¹

A 2013 study analyzing New York State, excluding New York City, established a clear connection between longer licensed alcohol outlet hours and increased violence. Using regression analysis of 2009 data, researchers Timothy Schofield and Thomas Denson found that each additional hour of weekly outlet business hours was associated with statistically significant increases in overall violent

¹ McMillan, G. P., & Lapham, S. C. (2006). Effect of alcohol sales on motor vehicle crash fatalities in New Mexico. *American Journal of Public Health*.

crime, aggravated assaults, and non-firearm violence. Moreover, the study concluded that the cost of this additional crime are comparable to the state's revenues from increased liquor sales.²

Although not a direct study of sales extensions, a recent evaluation in Baltimore, Maryland serves as a reverse case. In 2020, the city reduced alcohol sales hours in a high-crime neighborhood—from 2 a.m. to 10 p.m.—as part of a targeted intervention. Within a month, homicides declined by 51%, and over the following year, the area saw a 23% annual drop in violent crime. This suggests that previously extended hours may have contributed to criminal activity and that restricting hours can yield immediate public safety benefits.³

A more comprehensive review by the Centers for Disease Control and Prevention (CDC) through the Community Preventive Services Task Force further supports these findings. Their 2010 systematic review concluded that extending alcohol service by two or more hours—for example, closing at 4 a.m. instead of 2 a.m.—was consistently associated with increases in alcohol-related assaults, emergency room visits, and motor vehicle crashes. Meanwhile, smaller extensions produced more mixed and inconclusive effects.⁴

Together, these U.S. studies suggest that extending alcohol sales hours—either by day or time—can result in increased alcohol consumption, impaired driving incidents, and higher rates of crime and injury. Policymakers considering such extensions should weigh these findings carefully, particularly in light of the consistent patterns emerging from both state-specific and national data.

European Studies on Impact of Extending Alcohol Service Hours. Several European studies have examined the effects of extending alcohol service hours, particularly into the early morning, and offer important insights that may be relevant to proposals such as "4 a.m. bills" in the United States.

In Norway, a controlled study across 18 cities between 2000 and 2010 found that each one-hour extension in bar closing times was associated with a 16 to 20% increase in violent assaults during late-night weekend hours. Conversely, reducing

² Schofield, T. P., & Denson, T. F. (2013). Alcohol outlet business hours and violent crime in New York State. *Alcohol and Alcoholism*.

³ Lange, R. (2024). *Reducing late-night alcohol sales curbed violent crimes by 23% per year in a Baltimore neighborhood*. Boston University School of Public Health.

⁴ Hahn, R. A., Kuzara, J., Elder, R., Brewer, R., Chattopadhyay, S., Fielding, J., Naimi, T. S., Toomey, T., & Task Force on Community Preventive Services. (2010). Effectiveness of policies restricting hours of alcohol sales in preventing excessive alcohol consumption and related harms. *American Journal of Preventive Medicine*.

closing times by one hour produced a similar decrease in violence, suggesting a clear relationship between alcohol availability and public safety.⁵

In Amsterdam, a 2009 policy that extended closing times by one hour in two nightlife districts led to a 34% increase in ambulance calls for alcohol-related injuries, particularly between 2 a.m. and 6 a.m. This increase in harm was particularly notable on weekends, among men, individuals aged 25-34 years, and those requiring hospitalization. This data indicated that even modest extensions could significantly burden emergency medical services.⁶

Sweden has conducted various alcohol policy experiments as well. During the COVID-19 Pandemic, the country implemented a ban on alcohol sales after 8 p.m., which led to a substantial reduction in SOS and police calls during overnight hours.⁷ In another case, the city of Visby extended alcohol service by one hour during summer 2014 but paired the extension with extensive safety measures, including increased coordination between police and venue operators. In that instance, violence actually decreased—highlighting the importance of complementary safety strategies when extending service hours. The authors suggest that the positive outcome may be attributed to the simultaneous implementation of preventive measures and the spread of closing times, which reduced street congestion and potential conflicts.⁸

Lithuania took a different approach by shortening legal alcohol sales hours. A national policy that reduced sales by four hours on weekdays and Saturdays resulted in a 20 percent drop in alcohol poisoning-related emergency visits among men, especially on Sundays. This further supports the notion that limiting alcohol availability can produce measurable public health benefits.⁹

In another example, following the passage of the Licensing Act 2003, England and Wales implemented a major shift in alcohol policy by allowing bars and pubs to apply for flexible, and in some cases 24-hour, alcohol service licenses. Contrary to concerns that extended hours would lead to widespread increases in alcohol-related harm, several studies found mixed results. A 2014 study published in the *Journal of Health Economics* found that traffic accidents, particularly among young drivers

⁵ Rossow, I., & Norström, T. (2012). The impact of small changes in bar closing hours on violence: The Norwegian experience from 18 cities. *Addiction*.

⁶ De Greeuw, M., van de Mheen, D., & van Laar, M. (2015). Impact of a one-hour extension of closing time on alcohol-related harm: Evidence from Amsterdam nightlife districts. *Drug and Alcohol Review*.

⁷ Movendi International. (2021). *Alcohol sales restrictions during COVID-19 in Sweden: Impact on emergency services and police calls*. Movendi International.

⁸ Svensson, M., Andersson, C., & Tegner, J. (2020). Effects of extended alcohol service hours combined with safety measures: A natural experiment in Visby, Sweden. *European Journal of Public Health*.

⁹ Miščikienė, V., Jasilionis, D., & Stumbrys, D. (2022). The impact of reduced alcohol sales hours on alcohol-related emergency visits in Lithuania. *International Journal of Environmental Research and Public Health*.

on weekend nights, declined after the change—likely due to the staggered closing times reducing the risks associated with large crowds leaving venues all at once.¹⁰ While some cities, such as Manchester, did see a rise in late-night violence between 3 a.m. and 6 a.m., overall violent crime did not significantly increase.

Overall, the European research suggests that late-night alcohol service extensions—especially without adequate public safety strategies—are consistently linked to increases in violence, injuries, and strain on emergency resources. While some exceptions exist, such as the Visby and England/Wales case, most studies reinforce that alcohol availability during the early morning hours carries significant social and public health risks.

Previous Attempts. Since the early 2000s, there have been numerous attempts to extend alcohol sales past 2:00 a.m. for on-sale licensees (bars, nightclubs and restaurants) in California. Each bill either failed in a policy committee, by a Floor vote, or governor veto. One recent attempt was SB 58 (Wiener, 2019) which would have authorized the Department of ABC to establish a pilot program for a designated period to allow specified on-sale licensees in certain 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, 2018) 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 until January 2, 2026, the Department of ABC would have been authorized to conduct 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 (CHP), 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."

In 2022, SB 930 (Wiener, 2022) failed passage (25-31) on the Assembly floor. The bill would have required the Department of ABC to conduct a pilot program beginning January 1, 2025, and before January 2, 2028. The bill would have

¹⁰ Nesson, E., & Shrestha, V. (2014). Did liberalising bar hours decrease traffic accidents? *Journal of Health Economics*,

authorized the Department of ABC to issue an additional hours license to an on-sale licensee located in a qualified city (cities of Palm Springs, West Hollywood and the City and County of San Francisco). Licensees would be able to sell alcoholic beverages between the hours of 2 a.m. and 4 a.m. on Saturdays and Sundays and specified holidays, and between the hours of 2 a.m. and 3 a.m. on all other days, upon completion of specified requirements.

In 2024, Assemblymember Haney introduced AB 3195. This bill, beginning January 1, 2025, would have allowed an on-sale license to sell alcoholic beverages until 4 a.m. on Fridays, Saturdays, and certain holidays if the licensee held an additional serving hours license, as specified. The bill would have authorized the Department of ABC to issue an additional serving hours license if the local governing body of the city in which the licensed premises is located adopts an ordinance that meets certain requirements, as specified. The bill was set to be heard by the Assembly Committee on Governmental Organization but was pulled from the agenda at the request of author.

AB 3206 (McKinnor, Chapter 977, Statutes of 2024). Last year, Governor Newsom signed AB 3206 (McKinnor, Chapter 977, Statutes of 2024) which extended the sale of alcohol past 2:00 a.m. at one location in the entire state of California. Specifically, the bill authorizes, until January 1, 2030, alcohol to be sold until 4 a.m. in a private area that is available only to members of a private club in the new Intuit Dome in the City of Inglewood - the home of the Los Angeles Clippers.

The sale of alcohol must occur in a private area in the arena no larger than 2,500 square feet in the hours immediately following a day on which a sporting event, concert, or other major event, or a private event not open to the public, has occurred in the arena, as specified. In his signing message the Governor stated the following:

This bill seeks to provide a narrow extension of alcohol service hours in a specific setting. While this bill creates a very limited pilot that sunsets on January 1, 2030, I remain cognizant of the potential risks to public safety posed by extending service hours for alcoholic beverage service, which could lead to an increase in driving under the influence-related crashes and fatalities.

To that end, I am directing the California Highway Patrol to work in partnership with local law enforcement agencies to track DUI incidents in the surrounding communities, and to prepare a report on the impacts of

extended alcohol service hours that can inform the Legislature's evaluation of any further proposals to extend alcohol service hours.

As of July 1, 2025, the report has yet to be prepared and there is no estimated timeline by which the report will be completed.

Concerns with Legislation Extending Alcohol Service. Proposals to extend alcohol service hours past 2 a.m. have generated significant debate, with critics raising a number of public safety, health, and community concerns. One of the primary issues is the increased risk of impaired driving. Extending bar hours later into the night may lead to more people getting behind the wheel while intoxicated, which heightens the likelihood of DUI-related accidents and fatalities. Proposals extending alcohol service to 4 a.m. have drawn heightened opposition from critics, who argue that such measures would increase the risk of impaired drivers sharing roads with early-morning commuters and workers, thereby posing significant public safety concerns.

Law enforcement agencies may also face additional burdens, as late-night alcohol service could require increased patrols and staffing during hours when departments are already stretched thin. Emergency responders, including paramedics and emergency room personnel, could see more alcohol-related incidents, such as assaults, falls, or alcohol poisoning, occurring during the early morning hours.

Another significant concern involves the potential disruption to local neighborhoods. Bars letting out at 4 a.m. may contribute to excessive noise, loitering, public intoxication, and vandalism, especially in mixed-use or residential areas. These disturbances can negatively impact quality of life for residents and lead to more public nuisance complaints. Local governments may be forced to divert additional resources to address these issues, particularly in areas that are not equipped to manage late-night crowds.

From a public health standpoint, extended drinking hours could encourage longer and more intense drinking sessions, increasing the risk of binge drinking and alcohol dependency. Health advocates warn that normalizing extended alcohol availability may contribute to long-term problems such as addiction, liver disease, and mental health disorders. Additionally, the hospitality and service industry workforce may be adversely affected. Employees such as bartenders, security staff, and transportation workers could be pressured to work longer and more dangerous overnight shifts, raising concerns about worker fatigue, fair compensation, and safety.

Economic inequities are also a consideration. While some cities with vibrant nightlife may benefit financially, lower-income or marginalized communities may disproportionately bear the negative consequences of increased crime, public disturbances, and declining neighborhood safety—without seeing any of the economic gains. Furthermore, bills that allow cities to “opt-in” to extended hours can result in a fragmented regulatory landscape, creating confusion and enforcement difficulties. Neighboring jurisdictions that choose not to participate may still experience spillover effects from nearby cities that do allow later alcohol service.

While supporters argue that extending alcohol sales to 4 a.m. could boost tourism, nightlife economies, and local tax revenues, these potential benefits must be carefully weighed against the broader societal impacts. Critics maintain that the public costs—measured in terms of safety, health, and community well-being—may far outweigh the economic advantages.

More on Spillover Effects. While opt-in provisions are often framed as a tool for local control, they raise several significant concerns. Allowing cities or counties to decide whether to extend alcohol service hours creates a patchwork of policies that can complicate enforcement, particularly in densely populated regions where jurisdictions border each other. This fragmented approach may lead to spillover effects, such as impaired drivers crossing into neighboring communities that did not opt in, thereby increasing public safety risks. Additionally, local governments may face political pressure from nightlife and hospitality industries to approve extended hours, even when such decisions may not align with community interests or available resources.

The burden on law enforcement and emergency responders could also increase, especially if jurisdictions extend hours without additional support or funding. Furthermore, the opt-in framework could exacerbate inequities between communities, with more affluent or better-resourced cities better able to manage the consequences, while lower-income areas may be left to cope with the negative impacts.

For example, if West Hollywood were to opt into 4 a.m. service hours while neighboring Los Angeles chose not to, patrons might leave bars in West Hollywood and travel into Los Angeles neighborhoods afterward — either to continue the night at a friend's home, drive home, or seek late-night food. This could increase the risk of impaired driving on Los Angeles streets, despite the city not participating in the extended hours policy.

Even a much narrower bill, say limiting to the City and County of San Francisco, would have to deal with this spillover effect. As has been well documented, many workers begin their commute into the city between 4 a.m. and 6 a.m. from surrounding cities, including cities in the Central Valley. Those commuters share the road with individuals who may be leaving bars or nightclubs after drinking until the proposed 4 a.m. cutoff. This overlap raises serious public safety concerns, as it increases the likelihood that sober commuters—including healthcare workers, construction crews, transit operators, and other essential personnel—will encounter impaired or drowsy drivers on highways, bridges, and local streets. Additionally, while the Bay Area enjoys one of the few subway systems in California, the Bay Area Rapid Transit (BART) generally starts service at 5:00 a.m. on weekdays, 6:00 a.m. on Saturdays, and 8:00 a.m. on Sundays.

Unlike traditional nightlife zones, the commute corridors into San Francisco are already congested during the early morning hours, and an uptick in impaired driving incidents could place additional strain on traffic safety, law enforcement, and emergency response systems well beyond the city itself.

Unprecedented Expansion. As mentioned previously, last year Governor Newsom signed AB 3206 (McKinnor, Chapter 977 Statutes of 2024) which allows, until January 1, 2030, the sale of alcoholic beverages between 2 a.m. and 4 a.m. at a private, single specified location within the Intuit Dome in the City of Inglewood. This bill would expand on the sale of alcoholic beverages to all 458 incorporated cities in California and to all 58 counties. While the bill does limit this new privilege to Hospitality Zones and Special Event Hospitality Zones, the bill makes it clear that these zones could encompass an entire city or county.

While the bill imposes a cap of one additional service hours license per 6,000 residents, this limitation could still result in thousands of licensees being eligible to serve alcohol past 2 a.m. For example, under current law, the only licensee permitted to serve alcohol beyond 2 a.m. is located in the City of Inglewood. Under the parameters of this bill, the City of Inglewood, with a population of over 100,000 residents, could potentially authorize 17 licensees to extend service hours. Unlike AB 3206, however, this bill does not identify which 17 licensees that would be.

In larger cities such as Los Angeles, the bill could authorize nearly 640 on-sale licensees to serve alcohol past 2 a.m. Moreover, because the bill does not limit the number of hospitality zones a city may establish, this could result in up to 64 hospitality zones within Los Angeles alone, each with 10 licensees operating beyond the current 2 a.m. cutoff.

Hospitality Zones v. Special Events Hospitality Zones. As currently drafted, the bill establishes two distinct processes for authorizing extended alcohol service hours: one for the creation of “hospitality zones” and another for “special event hospitality zones.” Under the “special event hospitality zone” framework, the bill permits the local governing body to designate a “local entity” responsible for identifying the zone and ensuring compliance with the bill’s provisions. However, delegating this authority to an undefined and potentially unelected entity raises significant concerns. Such an entity may operate with goals or priorities that are not aligned with those of the broader city or county, potentially creating accountability and transparency issues.

Furthermore, while the process for establishing regular “hospitality zones” requires formal assessments by the local governing body—developed in consultation with local law enforcement and other stakeholders—the “special event” process contains no such requirements. Specifically, reports by both the local governing body and the California Highway Patrol (CHP) are mandated for hospitality zones but are absent in the “special event” process. Although these zones are described as temporary, with an initial 30-day duration, the bill allows for extensions to be granted an unlimited number of times, effectively enabling indefinite operation without the oversight and planning safeguards required for permanent hospitality zones.

Unclear Time of Alcohol Sales. As currently drafted, the bill would authorize the sale of alcoholic beverages on any day that is either (1) declared by the Governor to be an official state holiday, (2) listed as a holiday on CalHR’s website, or (3) any Friday or Saturday, between the hours of 4 a.m. and 6 a.m. of the same day.

However, the language in this section would benefit from clarification. While the list of state holidays maintained by CalHR is relatively straightforward, the reference to “any day that is declared by the Governor to be an official state holiday” is potentially misleading. In California, the Governor does not have the authority to unilaterally declare official state holidays. Instead, official state holidays are established by statute. The Governor is statutorily required to issue annual proclamations recognizing certain days, weeks, or months as observances, but these are ceremonial in nature and do not constitute legal state holidays.

Additionally, there may be confusion even with the CalHR state holiday list as it relates to the bill’s intent. For example, consider Independence Day. It appears the intent is to permit alcohol sales past 2 a.m. on the night of July 4th into the early morning hours of July 5th. However, as written, the bill may instead authorize extended hours on the early morning of July 4th, when the holiday has not yet begun.

A similar issue arises with the reference to Fridays and Saturdays. Under the current language, the bill could be interpreted to allow alcohol sales between 4 a.m. and 6 a.m. on early Friday and Saturday mornings—i.e., late Thursday night into Friday morning, and late Friday night into Saturday morning—rather than extending service into early Saturday and Sunday mornings as might be intended. Clarifying these provisions would help ensure that the bill aligns with legislative intent and avoids misinterpretation in practice.

Unrealistic Timeline. The bill currently requires the Department of ABC to develop regulations by June 1, 2026. It's unclear how the department will be able to meet this deadline. The Department of ABC will need to hold meetings internally with various staff to discuss the scope of regulations, draft language, go through internal review, go to agency for review, get published online, and submit regulations to the OAL. Once OAL publishes those regulations, it begins a 45 day public comment period, if the Department of ABC make any significant changes based on public comment (which is almost a certainty given public interest in the topic), it triggers another 45 day public comment period. The APA is crafted this way to allow public feedback and discussion to facilitate a good final product that responds to and consider points raised.

Information Provided by CHP. In information provided by the CHP to the Committee, the CHP stated all of the following:

- 1) CHP anticipates an increase in driving under the influence arrests and traffic collisions during the later morning hours.
- 2) CHP believes a separate closing time will result in staffing challenges for law enforcement agencies. The bill would lead to increased overtime for CHP night shift personnel who will be required to deal with an increase of alcohol related incidents (crashes/crime) at a time when they should be coming off shift. This increase in overtime will negatively impact the Motor Vehicle Account (MVA).
- 3) The bill requires CHP to conduct a study and provide a report on the impact to the hospitality zones – this is not information CHP currently collects as it pertains to hospitality zones.
- 4) CHP estimates an additional \$431,865.12 per year in driving under the influence overtime costs in the San Francisco, Santa Fe Springs, and San Diego Area offices alone. These costs are associated with collision investigations, medical clearances, booking, reports, and other duties associated with driving under the influence investigations. CHP acknowledges these fiscal projections are largely based on assumptions. The precise fiscal impacts, however, will be in the millions of dollars range as the above only highlights the impact to three of the department's 103 Area offices throughout the state which may likely have designated Hospitality Zones and Special Event Hospitality Zones.

CHP also provided the following table that illustrates the time of day collisions caused by impaired driving in 2024. As the table illustrates, the highest number of collisions usually occurs during the hour immediately before and after the 2 a.m. traditional service time ending.

Hour	Total Collisions	Fatal	Injury	Property Damage Only	Victims Killed	Victims Injured
00:00-00:59	2,500	52	993	1,455	59	1,418
01:00-01:59	2,575	41	1,071	1,463	48	1,491
02:00-02:59	2,520	61	970	1,489	75	1,377
03:00-03:59	1,483	26	568	889	30	799
04:00-04:59	847	21	336	490	25	467
05:00-05:59	588	15	245	328	18	353

Prior/Related Legislation

AB 3206 (McKinnor, Chapter 977, Statutes of 2024) allows, until January 1, 2030, the sale of alcoholic beverages between 2 a.m. and 4 a.m. at a specified location within the Intuit Dome in the City of Inglewood if specified requirements are completed.

AB 3195 (Haney, 2024) would have allowed on-sale licensees to sell or give alcoholic beverages until 4 a.m. on Friday, Saturdays, and certain holidays if the licensee holds an additional serving hours license, as specified. (Never Heard in the Assembly Governmental Organization Committee)

SB 969 (Wiener, Chapter 869, Statutes of 2024) authorizes specified licensees to allow consumers to leave the licensed premises with open containers of alcoholic beverages for consumption off the premises within an entertainment zone, as specified.

SB 930 (Wiener, 2022) would have allowed, until January 2, 2028, the Department of ABC to issue an additional hours license to an on-sale licensee located in specified cities, which would have allowed the licensee to serve alcoholic beverages between the hours of 2 a.m. and 4 a.m. on Saturdays and Sundays and specified holidays, as specified. (Failed Passage on the Assembly Floor)

SB 58 (Wiener, 2019) would have allowed, until January 2, 2027, on-sale licensees in specified cities to sell alcoholic beverages between the hours of 2 a.m. and 3 a.m. upon the completion of specified requirements. (Failed Passage on the Assembly Floor)

SB 905 (Wiener, 2018) would have authorized on-sale licensees in specified cities, to sell alcoholic beverages between the hours of 2 a.m. and 4 a.m. upon the completion of specified requirements. (Vetoed by Governor Brown)

SB 384 (Wiener, 2017) would have established a process whereby an on-sale licensee would have been able to apply to the Department of ABC for the privilege of extending hours of alcohol sales from 2 a.m. and 4 a.m. in a city where the local government approved and certified a local plan, and submitted that plan to the department. (Gutted and Amended to an Unrelated Issue)

SB 635 (Leno, 2013) would have allowed an on-sale licensee to apply to the Department of ABC to authorize the licensee to sell alcoholic beverages between the hours of 2 a.m. and 4 a.m., upon the completion of specified requirements by the local jurisdictions in which the licensee is located. (Failed Passage in the Senate Governmental Organization Committee)

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

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT:

California Nightlight Association (Source)
Arrow Up Training
Bay Area Council
Bay Area Host Committee
BSC Management
California Arts Advocates
California Civil Liberties Advocacy
California Downtown Association
California Hotel & Lodging Association
California Restaurant Association
California State Treasurer, Fiona Ma
California Teamsters Public Affairs Council
California Travel Association
Central City Association of Los Angeles
City of West Hollywood
Downtown Fresno Partnership
Elevate California

Equality California
General Lee's
Golden Gate Restaurant Association
Here's Looking At You
Historic Core Bid
HOF – Hall of Fame
Independent Hospitality Coalition
Kitchen Culture Recruiting
LA Cita Bar
Lasita
Long Beach Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation (BIZ-FED)
Lyft, INC.
Mulvaney's B&I
National Independent Venue Association of California
Pouring With Heart LLC
San Diego Regional Chamber of Commerce
San Francisco Travel Association
San Jose Chamber of Commerce
San Jose Downtown Association
Tabula Rasa Bar
The East Cut Community Benefit District
The Greater Coachella Valley Chamber of Commerce
The Greater Los Angeles Hospitality Association
The Joshua Construction Company
Uber Technologies, INC.
Valley Industry and Commerce Association
West Hollywood Travel & Tourism Board
Wildcrust

OPPOSITION:

Alcohol Justice
California Alcoholic Beverage Control Agents
California Alcohol Policy Alliance
California Council of the California Council on Alcohol Problems
California Statewide Law Enforcement Association
FASD Network of Southern California
FASDNow!
Health Officers Association of California

TCB Holdings
The Wall Las Memorias Project

ARGUMENTS IN SUPPORT: According to the California Nightlife Association, “the Legislature has focused heavily on downtown recovery in recent years. Places of interest like businesses, shops, restaurants, parks, community centers, and stadiums have seen less activity from remote work and empty offices are creating vacuums in urban spaces. In order to survive, cities need to create downtown spaces that increase economic activity. With data showing that extended opening hours led to economically significant increases in alcohol purchases by around two percent per weekly opening hour as well as the large mega events coming to California, this measure will provide a significant tool in the toolbox of local governments looking to capture economic activity and highlight California’s world-class nightlife scene.”

According to the California Downtown Association, “California has also experienced a decline in hosting large conventions in recent years, with some events relocating to other states. For visitors, workers, and residents, the existence of a thriving nightlife in a city is a key factor in determining their activity. It is crucial for many of our cities to think beyond the standard 9-5 pm business hours, and instead broaden their appeal to bring people into the city and support a more diverse set of businesses. Many of California’s downtowns have areas where there is a higher concentration of hotels, restaurants and bars, where many residents, visitors and workers are able to walk to venues. There has also been a huge increase in the availability of rideshare trips from companies like Uber and Lyft which have provided much greater accessibility to get to and from venues.”

ARGUMENTS IN OPPOSITION: According to the California Alcoholic Beverage Agents and the California Statewide Law Enforcement Association, “AB 342 would create a significant increase in enforcement, oversight, and licensing demands, yet the proposed \$2,500 annual charge for extended hours or condition modifications falls far short of what would be required to support additional agents, licensing representatives, or administrative staff. Without dedicated funding, this measure risks worsening the current staffing crisis and further compromising ABC’s ability to protect public safety and fulfill its core responsibilities. Additionally, the bill poses broader public safety concerns. Extended service hours have been historically associated with increased DUI incidents, violent crime, traffic collisions, and greater strain on emergency response and law enforcement resources. These risks cannot be mitigated through staffing adjustments alone.”

According to The Wall Las Memorias, a community health and wellness organization dedicated to serving Latino, LGBTQ and other underserved populations, “even as cities and counties struggle to return to normal from the disruptions of lockdowns, this recovery will be undermined by AB 342. Over 40 years of evidence from a dozen high-income countries including the U.S. shows that extended last call times are associated with greater number of violent crimes, accidental injuries, automobile crashes, and calls for service to ambulances and law enforcement. California is not a series of disconnected islands. The vitality of one community is closely entwined with those that surround it. Yet AB 342 would benefit a sparse handful of private businesses while laying the unbearable costs and harms on everyone around them. Restricting last call times is endorsed by the World Health Organization, the American Public Health Association, the Centers for Disease Control and Prevention, and many other public health bodies.”

According to the Health Officers Association of California, “extended alcohol service hours are consistently linked to increased incidents of DUI, violence, and emergency health responses—each of which generates substantial public costs. A 2010 report by the World Health Organization concluded that restricting the hours or days of alcohol sales is a cost-effective strategy for reducing alcohol-related harm, including injury, crime, and health care utilization. These public safety and health consequences carry long-term fiscal impacts for state and local governments—including emergency response, law enforcement, health care, and court system costs—that far outweigh any short-term revenue gains from extended alcohol sales.”