SENATE COMMITTEE ON HEALTH

Senator Caroline Menjivar, Chair

BILL NO: AB 592

AUTHOR: Gabriel, Mark González, Wicks

VERSION: June 25, 2025 **HEARING DATE:** July 16, 2025

CONSULTANT: Vincent D. Marchand

SUBJECT: Business: retail food

<u>SUMMARY</u>: Repeals a requirement that a permanent food facility be fully enclosed, and instead permits a food facility to use open windows, folding doors, or nonfixed storefronts during hours of operation. Repeals the July 1, 2026 sunset dates on two provisions of law related to accommodations granted to food facilities to expand outdoor dining capacity during the COVID-19 pandemic. Extends the ability of licensees of the Department of Alcohol and Beverage Control (ABC) to serve alcoholic beverages in an adjacent property under a COVID-19 Temporary Catering Authorization, from July 1, 2026 to January 1, 2029, and prohibits ABC from issuing any new COVID-19 Temporary Catering Authorizations after January 1, 2027.

Existing law:

- 1) Establishes the California Retail Food Code (CalCode) to provide for the regulation of retail food facilities. Health and sanitation standards are established at the state level through the CalCode, while enforcement is charged to local agencies, carried out by the 58 county environmental health departments, and four city environmental health departments (Berkeley, Long Beach, Pasadena, and Vernon). [HSC §113700, et seq.]
- 2) Defines a "food facility" as an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level. Excludes various entities from the definition of a "food facility," including a cottage food operation, and a church, private club, or other nonprofit association that gives or sells food to its members and guests, and not to the general public, at an event that occurs no more than three days in any 90-day period. [HSC §113789]
- 3) Requires a permanent food facility to be fully enclosed in a building consisting of permanent floors, walls, and an overhead structure that meets the minimum standards, as specified. Specifies that this does not require the enclosure of dining areas or any other operation approved for outdoor food service. [HSC §114266]
- 4) Defines "limited food preparation," which is not required to be performed in an enclosed kitchen, as food preparation that is restricted to one or more of the following: heating, frying, baking, roasting, popping, shaving of ice, blending, steaming or boiling of hot dogs, or assembly of nonprepackaged food, dispensing and portioning for immediate service to a customer of food that has been temperature controlled until immediately prior to portioning or dispensing, and cooking to order, among other things. Prohibits the following from being included in "limited food preparation:" slicing and chopping of potentially hazardous foods, other than produce, unless it is on the heated cooking surface; thawing; grinding raw ingredients; and, washing foods, among other activities. [HSC §113818]
- 5) Establishes requirements for satellite food services, including requiring satellite food service to only be operated by a fully enclosed permanent food facility that meets the requirements

for food preparation and service and that is responsible for servicing the satellite food service operation; that the permit holder of the permanent food facility submit to the enforcement agency written standard operating procedures prior to conducting the service, as specified; that all food preparation be conducted within a food compartment or fully enclosed facility; and, that service areas have overhead protection that extends over all food handling areas. [HSC §114067]

- 6) Permits a food facility within any local jurisdiction that is subject to retail food operation restrictions related to a COVID-19 public health response to prepare and serve food as a temporary satellite food service without obtaining a separate satellite food serve permit or submitting writing operating procedures, but requires written operating procedures to be maintained onsite for review, upon request, by the local jurisdiction. Sunsets this provision of law on July 1, 2026. [HSC §114067(k)]
- 7) Requires the ABC to make and prescribe those reasonable rules as may be necessary or proper to carry out specified purposes and intent, and to enable it to exercise the powers and perform the duties conferred upon it, as specified. [BPC §25750]
- 8) Permits the ABC to authorize its licensees to serve alcoholic beverages in an expanded license area authorized pursuant to a COVID-19 Temporary Catering Authorization (TCA). Requires the TCA to be for property that is adjacent to the licensed premises, and is under the control of the licensee. Sunsets this provision on July 1, 2026. [BPC §25750.5]
- 9) Permits the legislative body of any city or county to adopt ordinances that regulate zoning within its jurisdiction, as specified. Permits the granting of variances and conditional use permits if provided for by the zoning ordinance. [GOV §65000, et seq.]
- 10) Requires a local jurisdiction, to the extent that an outdoor expansion of a business to mitigate COVID-19 pandemic restrictions on indoor dining interferes with required parking for existing uses, to reduce the number of required parking spaces for existing uses by the number of spaces that the local jurisdiction determines are needed to accommodate an expanded outdoor dining area. Sunsets this law on July 1, 2026. [GOV §65907]

This bill:

- 1) Repeals a provision of law requiring a permanent food facility to be fully enclosed in a building consisting of permanent floors, walls, and an overhead structure that meets minimum standards, and instead requires a permanent food facility to be in a building consisting of permanent floors, walls, and an overhead structure that is fully enclosed during hours of nonoperation, while permitting the facility to use open windows, folding doors, or nonfixed storefronts during hours of operation.
- 2) Repeals the July 1, 2026 sunset date on a provision of law permitting food facilities subject to dining restrictions related to a COVID-19 public health response to operate a temporary satellite food service without needing to obtain a separate permit.
- 3) Repeals the July 1, 2026 sunset date on a provision of law requiring a local jurisdiction to reduce the number of required parking spaces for an outdoor expansion of a food facility to mitigate COVID-19 pandemic restrictions on indoor dining.

4) Extends the ability of licensees of the ABC to serve alcoholic beverages in an adjacent property under a COVID-19 Temporary Catering Authorization, from July 1, 2026 to January 1, 2029, and prohibits ABC from issuing any new COVID-19 Temporary Catering Authorizations after January 1, 2027.

FISCAL EFFECT: According to the Assembly Appropriations Committee:

- 1) Minor and absorbable costs to ABC for additional licensing and enforcement workload associated with extending the Temporary Catering Authorization. This committee sees a wide array of bills that propose to modify the scope of alcohol laws. Generally, continuing modest licensing privileges does not generate major new enforcement workload for ABC, but taken together, these proposals could lead to significant new costs and future budget requests. However, in this case, ABC notes enforcement levels related to the Temporary Catering Authorization is manageable and not expected to noticeably increase. ABC had issued approximately 10,500 Temporary Catering Authorizations by the time the program was codified in 2021, and notes it has issued only 750 TCAs since then. Thus, ABC anticipates the bulk of any new Temporary Catering Authorization licensing workload is already complete.
- 2) Costs incurred by local agencies as a result of this bill's requirement to reduce parking spaces are not reimbursable by the state because local agencies may levy fees to cover these costs.
- 3) No costs to the California Department of Public Health (CDPH) to allow restaurants to forgo obtaining a separate satellite food service permit and open storefronts. These provisions are administered by local environmental health jurisdictions.

PRIOR VOTES:

Senate Governmental Organization Committee:	15 - 0
Assembly Floor:	73 - 0
Assembly Appropriations Committee:	14 - 0
Assembly Health Committee:	16 - 0
Assembly Governmental Organization Committee:	18 - 0

COMMENTS:

1) Author's statement. According to the author, community restaurants are the heart and soul of California, offering vibrant and diverse dining experiences. These beloved restaurants are not just places to eat but they are also centers of culture and connection. After the devastating impact of the COVID-19 pandemic, many are still struggling to stay afloat. Rising costs, escalating labor costs, and inflation continue to threaten their existence. This bill is a lifeline for these essential small businesses, providing much-needed relief by cutting through unnecessary red tape and simplifying regulations. Specifically, this bill extends the regulatory flexibility granted under previous legislation, which allowed for outdoor and patio dining. Additionally, this bill allows restaurants with open kitchens to fully operate their businesses with open sections including the use of open windows, folding doors and nonfixed storefronts during hours of operation. With this flexibility, restaurants can create an inviting and open-air atmosphere as part of the overall dining experience for customers. These changes not only help restaurant owners save on costs but also create an enhanced dining experience that can attract more customers. With modernized regulations and greater flexibility, restaurants can meet ever-changing consumer demands and be better positioned to thrive in an increasingly competitive market.

2) Background on extending COVID-19 authorizations for food facilities. On March 4, 2020, Governor Newsom declared a state of emergency in response to COVID-19, and asked all restaurants to suspend dine-in service and only allow take-out or delivery food service. Subsequently, there was an immediate shutdown of most indoor tasting rooms, breweries, and bars across the entire state. As a result, there was a wave of temporary and permanent closures in the restaurant industry. As of December 2020, the National Restaurant Association reported that over 110,000 establishments had closed their doors, with 89% of full-service restaurants reporting below normal staffing levels and anticipating additional layoffs.

In order to mitigate the effect of the restrictions on indoor dining, AB 61 (Gabriel, Chapter 651, Statutes of 2021) granted additional flexibilities to restaurants to quickly expand their ability to serve customers outside. First, it permitted a food facility to operate a temporary satellite food service without obtaining a separate satellite food service permit or submitting written operating procedures as would normally have been required. Second, it required local jurisdictions to reduce the number of required parking spaces to the extent that an outdoor expansion of dining areas to mitigate COVID-19 restrictions on indoor dining impacted required parking. And finally, it permitted ABC to serve alcohol in an expanded license area that is adjacent to the licensed premises and under the licensee's control. All of these provisions were initially limited to a maximum of one year from whenever the Governor ended the COVID-19 state of emergency, which occurred on February 28, 2023. AB 1217 (Gabriel, Chapter 569, Statutes of 2023) was enacted to extend these authorizations until July 1, 2026.

With regard to the ABC provisions, new regulations recently adopted by ABC have established a process and standards for the permanent licensure of areas that are noncontiguous to an existing licensed premises. While similar to the flexibility authorized under AB 61, and which is extended by this bill, the new regulations are more restrictive, including requiring the non-contiguous space be no further than 25 feet from the licensed premises, prohibits the area from being separated by a road open to vehicular traffic, and that the area be actively monitored by the licensee. This bill ensures that no new COVID-19-era temporary authorizations are approved by ABC moving forward, and extends the sunset date on the existing temporary authorizations until January 1, 2029, ostensibly to give licensees time to transition to the permanent authorization process.

3) Limited food preparation permitted in non-enclosed space. The provision of this bill generating concern from local environmental health officers is the change to the requirement that a permanent food facility be fully enclosed by four walls, and instead permitting open windows, folding doors, and nonfixed store fronts. Generally speaking, a permanent food facility is required to be fully enclosed, to protect food from contamination and prevent foodborne illness, although there is no requirement that dining areas be enclosed. In practice, this means that if a restaurant wanted to have an "open kitchen" concept, preparing food in open air, then the restaurant itself must be enclosed within four walls. Currently, a restaurant can have an almost entirely fresh-air seating area, whether completely outside, or in a building with accordion-style folding doors and windows, as long as the kitchen area where food is prepared is enclosed by four walls.

However, a food facility is allowed to do "limited food preparation" in non-enclosed spaces, as long as there is overhead protection. Limited food preparation requires most potentially

hazardous foods (generally, food that needs to be refrigerated to prevent bacterial growth) to be prepared for cooking in an enclosed kitchen. Limited food preparation cannot include grinding potentially hazardous foods, or cooking of potentially hazardous foods for later use, or even washing of foods, among other limitations. Nor can limited food preparation include slicing and chopping potentially hazardous foods, *unless it is on a heated cooking surface*. Limited food preparation *does* permit cooking and seasoning to order, along with heating, frying, baking, roasting, popping, shaving of ice, blending, steaming or boiling of hot dogs, or assembly of nonprepackaged food. It also includes holding, portioning, and dispensing of any foods that were prepared by the onsite permanent food facility. So a restaurant can have an "open kitchen" that is not fully enclosed, where someone is using a stove to make food to order, and it is completely permissible under the existing food code as long as there is an enclosed kitchen on site where the potentially hazardous food is prepared for cooking.

- 4) *Double referral*. This bill was heard in the Senate Governmental Organization Committee on June 24, 2025, and passed by a vote of 15-0.
- 5) Related legislation. AB 1470 (Haney) modifies food facility requirements pertaining to grease traps and pass-through windows. AB 1470 passed this Committee by a vote of 11-0 on July 9, 2025
- 6) *Prior legislation*. AB 1217 (Gabriel, Chapter 569, Statutes of 2023) extended the ability, until July 1, 2026, for food facilities to operate a temporary satellite food service without needing to obtain a separate permit, and also extended the authority of ABC to permit licensees to exercise license privileges in an expanded license area authorized pursuant to a COVID-19 Temporary Catering Authorization approved in accordance with the Fourth Notice of Regulatory Relief issued by on May 15, 2020.
 - SB 314 (Wiener, Chapter 656, Statutes of 2021) authorizes ABC, for 365 days from the date the COVID-19 state of emergency is lifted, to allow licensees to continue to exercise license privileges in an expanded licensed area authorized pursuant to a COVID-19 temporary catering authorization, as provided. SB 314 allows a licensed manufacturer to share a common licensed area with multiple licensed retailers, as specified, and increases the number of times, from 24 to 36 in a calendar year, that the ABC can issue a caterer's permit for use at any one location.
 - AB 61 (Gabriel, Chapter 651, Statutes of 2021) authorizes a permitted food facility to prepare and serve food as a temporary satellite food service without obtaining a separate permit for up to one year after the end of the COVID-19 state of emergency, or until January 1, 2024, whichever comes first. AB 61 included the same provision from SB 314 (Wiener) to permit ABC to allow licensees to continue to exercise license privileges in an expanded licensed area authorized pursuant to a COVID-19 temporary catering authorization.
- 7) *Support*. This bill is sponsored by the California Restaurant Association, and supported by a long list of restaurants and business organizations. According to supporters, this bill will provide critical support to countless outdoor dining programs up and down the state by extending the timeline for temporary catering authorizations from ABC, and allowing restaurants to continue to take advantage of local outdoor dining expansion opportunities. The Independent Hospitality Coalition (IHC), on behalf of a number of restaurants, states in support of the open-kitchen provision, that this bill will allow restaurants to fully leverage

California's exceptional climate by permitting windows, folding doors, or nonfixed storefronts to remain open during operating hours. Open kitchens and all fresco dining create a vibrant atmosphere that enhances the overall dining experience.

8) Opposition. The California Association of Environmental Health Administrators (CAEHA) opposes this bill unless amended to remove the provision of this bill removing the requirement that potentially hazardous foods be prepared within an enclosed kitchen. CAEHA states that a key pillar of food safety is the careful handling and preparation of "potentially hazardous foods," which must be prepared in an enclosed space with permanent floors, walls, and an overhead structure. Fully enclosed kitchens restrict rodents, flies, cockroaches, birds, dust, as well as other animals and contaminants from entering areas where preparation occurs like chopping, cutting, cooking, thawing, and mixing foods. CAEHA states that protection from vermin like rats is more important than ever because of the recent banning of certain rodenticides, which has resulted in record high vermin infestation in food facilities. CAEHA states that this change would put California out of alignment with nationally recognized, scientific food safety standards, which operate across the country. CAEHA notes that some food can be prepared safely in open-air settings, and existing code provides specific exceptions and safety guidelines for this. CAEHA also points out that open-air dining is already allowed, as evidenced by the numerous restaurants across the state in which customers already enjoy dining on patios, in spaces with large roll-up doors, and with wide open windows. The Health Officers Association of California opposes this bill unless amended for similar reasons.

The California Alcohol Policy Alliance, the California Council on Alcohol Problems, and Alcohol Justice, all oppose this bill based on the provisions that extend the "regulatory relief" measures intended to support bars during COVID-19 lockdowns. These opponents argue that the consequences of these measures have included an elevated alcohol-mortality rate, repeated injuries as cars collide with hastily erected extended service structure, and a supercharging of neighborhood disruption as blocks are given over solely to the sale of alcohol.

9) Author recently offered draft amendments in an attempt to address concern on open kitchen provision. The author and CAEHA have been engaged in ongoing dialogue about possible amendments to address the food safety concerns of eliminating the requirement that a kitchen be fully enclosed. The author has recently offered amendments to CAEHA that would require a food facility that operates with open windows, folding doors, or nonfixed storefronts to develop an integrated pest management and risk mitigation plan, that would be submitted to the local enforcement agency and made available to local environmental health enforcement officers. This plan would have to include risk assessment, monitoring and control procedures, employee training, and periodic review. CAEHA is still reviewing these proposed amendments, but have indicated that these amendments do not completely resolve their concerns.

SUPPORT AND OPPOSITION:

Support: California Restaurant Association (sponsor)

Asian Business Association

Association of California Cities - Orange County

Bavel Restaurant Bestia Restaurant **Broad Street Oyster Co**

California Asian Chamber of Commerce

California Association for Micro Enterprise Opportunity

California Attractions and Parks Association

California Downtown Association

California Pacific Chamber of Commerce

California Travel Association

Captain's Table

Central City Association of Los Angeles

City of Sacramento

Cole's French Dip

Downtown Sacramento Partnership

Downtown San Diego Partnership

Found Oyster

Fresno Chamber of Commerce

Golden Gate Restaurant Association

Great White

Hiho

Homestate

Inclusive Action for the City

Independent Hospitality Coalition

Jon & Vinny's

Kitchen Culture Recruiting

Last Word Hospitality

Latino Restaurant Association

Los Angeles Area Chamber of Commerce

Los Angeles County Business Federation

Mariscos Corona

Matu

Maury's Bagels & Appetizing

Menotti's Coffee Stop

Nativo

Oceanside Chamber of Commerce

Pasjoli

Public Counsel

Rossoblu

Rustic Canyon

Sacramento Metro Chamber of Commerce

Saffy's

San Diego Regional Chamber of Commerce

San Diego County Lodging Association

San Marcos Chamber of Commerce

Shingle Springs/Cameron Park Chamber of Commerce

Soban

Steadfast LA

Stir Crazy

Streets for All

Sunset Restaurant Management Group

Superfine Playa

Sushi Nozawa

The Albright

The Greater Los Angeles Hospitality Association

The Lonely Oyster

Townhouse

Uovo

Valley Industry and Commerce Association

Venice Chamber of Commerce

West Hollywood Chamber of Commerce

Yuba Sutter Chamber of Commerce

Zephyr & Black

Oppose: Alcohol Justice

California Alcohol Policy Alliance

California Association of Environmental Health Administrators (unless amended)

California Council on Alcohol Problems

Health Officers Association of California (unless amended)

United Chambers of Commerce of the San Fernando Valley (unless amended)