

CONCURRENCE IN SENATE AMENDMENTS

AB 828 (Mark González)

As Amended September 2, 2025

Majority vote

SUMMARY

This bill would authorize the Department of Alcoholic Beverage Control (ABC) to issue no more than 12 new original neighborhood-restricted special on-sale general licenses per year to bona fide public eating places located in specified United State Census Bureau census tracts (2020 Census) in the County of Los Angeles, until a total of 40 new licenses have been issued, as specified.

Senate Amendments

- 1) Prohibit a license issued under this measure from being sold or transferred for a price greater than the original fee paid by the seller or transferor.
- 2) Provide the ABC may designate licenses issued pursuant to this measure as an on-sale general for special use, as specified.
- 3) Make technical and clarifying changes.
- 4) Make a change to avoid a chaptering problem.

COMMENTS*Background.*

An on-sale general license for a business primarily serving food as a "bona fide eating place" (Type 47) allows the licensee to also serve beer, wine and distilled spirits for consumption on the licensed premises. 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. Because many counties have reached their caps, businesses seeking a license may need to buy one on the secondary market, which can cost up to \$400,000. While ABC's formula generally works for most counties, demand for licenses far outweighs the population-based allotment in some counties, generally due to the county's slower population growth or the local economy's reliance on tourism.

Over the years, various counties have sponsored legislation to authorize the ABC to issue additional Type 47 licenses in their county. Like this bill, previous bills also prohibit the sale of these licenses from being sold for a price greater than they were obtained from the department and prohibit the license from being transferred between counties. Generally, these bills receive unanimous support in the Legislature and signed into law. Once those bills become law, the ABC, if there are more applicants than there are licenses available to be issued, holds a random drawing that establishes priority rankings to apply for alcohol licenses. Applicants must still go through the normal application process, which includes local posting requirements and pay all appropriate fees.

AB 471 (Ting), Chapter 442, Statutes of 2017, created a new neighborhood-restricted on-sale general license (Type 87) and allowed ABC to issue a total of 30 new Type 87 licenses, with up

to five licenses issued per year and a certain number of licenses reserved for enumerated census tract corridors in the City and County of San Francisco. AB 2359 (Ting), Chapter 393, Statutes of 2024, increased the total allowable number of Type 87 licenses to 40 and allowed licensees to offer to-go alcohol sales, consistent with privileges extended to other bona fide eating place licensees.

This bill creates a 40-license Type 87 license program for certain neighborhoods in the County of Los Angeles, similar to the San Francisco program, but allows the licenses to be issued at a much faster pace of up to 12 new original neighborhood-restricted special on-sale general licenses to bona fide public eating places per year.

AB 828 stipulates that, to qualify for a license under this measure, the premises must be located within designated census tracts identified by the United States Census Bureau (2020 Census) and situated within the County of Los Angeles, subject to the following limitations:

- 1) Specified census tracts located in the neighborhoods of Downtown Los Angeles, Little Tokyo, Chinatown, and South Park. No more than a total of 20 licenses shall be concurrently held at premises located within all of the designed tracts.
- 2) Specified census tracts located in the neighborhoods of Boyle Heights and Lincoln Heights. No more than a total of 20 licenses shall be concurrently held at premises located within all of the designated tracts.
- 3) Specified census tracts located in the neighborhoods of Koreatown, Byzantine-Latino Quarter, Hollywood, and Historic Filipinotown. No more than a total of 20 licenses shall be concurrently held at premises located within all of the designated tracts.

According to the Author

According to the author's office, "the current alcohol licensing regime does not take into consideration Los Angeles' significant tourism and hospitality industry. Since 2020, tourism has increased every single year. In 2023 alone, Los Angeles had 49.1 million people visit. These numbers will only increase in the coming years with major national and international events including the 2026 FIFA World Cup, the 2026 NBA All-Star Game, the 2026 U.S. Women's Open, and the 2028 Olympic & Paralympic Games. Restaurants without an alcohol license are at an inherent disadvantage in comparison to ones that do and see less business from residents and tourists alike. The restaurant industry has notoriously thin profit margins and small businesses cannot afford to get a license, whether through the state lottery system or on the open market."

Arguments in Support

According to supporters of this bill, "restaurants without an alcohol license are an inherent disadvantage in comparison to ones that do and will see less business from residents and tourists alike. Small businesses cannot afford to shell out large amounts of money on gambling to get a license, whether through the state lottery system or on the open market. The census tracts targeted in this bill contain historic ethnic enclaves like Chinatown, Koreatown, Little Tokyo, Historic Filipinotown, Pico Union, and Boyle Heights. Areas full of small restaurants, especially minority-owned ones and will ensure these neighborhood can access this essential tool for their success."

Arguments in Opposition

None on file

FISCAL COMMENTS

According to the Senate Committee on Appropriations analysis, "the ABC's activities are funded by regulatory and license fees and generally, the department does not receive support from the General Fund. New legislative mandates, although modest in scope, may in totality create new cost pressures and impact the department's operating costs and future budget requests."

VOTES:**ASM GOVERNMENTAL ORGANIZATION: 22-0-0**

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

ASM APPROPRIATIONS: 15-0-0

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

ASSEMBLY FLOOR: 75-0-4

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, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Dixon, Flora, Jeff Gonzalez, Papan

UPDATED

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