

## Senate Bill No. 818

### CHAPTER 337

An act to amend Sections 23375, 23450, 24041, 24070, and 25605 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor September 23, 2013. Filed with Secretary of State September 23, 2013.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 818, Committee on Governmental Organization. Alcoholic beverages.

(1) The Alcoholic Beverage Control Act provides for the issuance of licenses for which various annual fees are charged depending upon the type of license issued. The act authorizes the issuance of a veterans' club license authorizing the sale of alcoholic beverages, as provided.

This bill would revise the definition of a "veteran" for the purposes of the veterans' club license.

(2) A public warehouse license authorizes the storage of alcoholic beverages for another licensee, including storage in specified warehouses.

This bill would allow the department to issue the holder of a public warehouse license a duplicate of that license for each additional warehouse operated by the licensee, which authorizes the exercise of all the privileges of the original licensee at the additional warehouse or warehouses.

(3) The Alcoholic Beverage Control Act limits the amount of the consideration that may accompany the intercounty transfer of on-sale and off-sale licenses to not more than \$10,000 or \$6,000, depending on the date of issue for the license, and lifts those limitations if the transfer occurs after 5 years, as specified.

This bill would revise the limitation on the amount of consideration that may accompany an intercounty transfer to no more than the fee for the original on-sale or off-sale license.

(4) The Alcoholic Beverage Control Act prohibits an off-sale licensee from delivering alcoholic beverages from an order received over the telephone without requiring proof of age and identity when the beverages are delivered.

This bill would make this prohibition applicable to orders received via other electronic means.

(5) The Alcoholic Beverage Control Act provides that a violation of any of its provisions for which another penalty or punishment is not specifically provided is a misdemeanor. This bill would expand existing crimes by imposing additional duties on a licensee under the act, thus the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. Section 23375 of the Business and Professions Code is amended to read:

23375. (a) A public warehouse license authorizes the storage of alcoholic beverages for the account of another licensee, including storage in a United States customs bonded warehouse, a United States internal revenue bonded warehouse, and a United States bonded wine cellar.

(b) The department may issue to the holder of a public warehouse license a duplicate of the original public warehouse license for each additional warehouse operated by the licensee, which authorizes the exercise of all privileges of the original public warehouse license at the additional warehouse or warehouses. The fee for a duplicate public warehouse license shall be one dollar (\$1).

(c) The term “duplicate public warehouse license,” as used in this section, only applies herein.

SEC. 2. Section 23450 of the Business and Professions Code is amended to read:

23450. As used in this article, “veteran” means any person who has served in the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or as an active nurse in the service of the American Red Cross, or in the Army and Navy Nurse Corps in time of war, or in any expedition of the Armed Forces of the United States, or who served in one of these services during the period September 16, 1940, to December 7, 1941, and received a discharge under conditions other than dishonorable.

SEC. 3. Section 24041 of the Business and Professions Code is amended to read:

24041. Separate licenses shall be issued for each of the premises of any business establishment having more than one location, except as provided for in Sections 23355.1, 23388, 23389, and 23390, except that any manufacturer, importer, or wholesaler may receive, store, and deliver wine as specified in its license, at and from a public warehouse licensed by the department, without holding an additional license at the warehouse. A license at a public warehouse shall be required by an out-of-state business whose alcoholic beverages come to rest, are stored, and shipped from a public warehouse in California.

SEC. 4. Section 24070 of the Business and Professions Code is amended to read:

24070. Each license is separate and distinct and is transferable upon approval by the department from the licensee to another person and from one premises to another premises.

(a) All off-sale general licenses may be transferred from one county to another county, subject to the following provisions:

(1) The number of off-sale general licenses in existence in any county on June 1 of any year shall not be increased by more than 25 new original off-sale general licenses during the following 12-month period, provided further that the number of new original off-sale general licenses that may be issued in any county during any 12-month period shall not increase by more than 10 percent the number of off-sale general licenses in existence in that county on the June 1 with which that 12-month period began.

(2) After the department computes the number of new original off-sale licenses that may be issued in any county during any 12-month period as provided by the foregoing paragraph, if the department determines that the ratio established by Section 23817 will permit, during that 12-month period, additional off-sale general licenses in any county, off-sale general licenses may be transferred into that county in a number not to exceed by more than 10 percent the number of off-sale general licenses in existence in that county on the June 1 with which that 12-month period began, but in no event to exceed 25 such transfers during that 12-month period.

(3) Under no circumstances shall the combined total number of new original off-sale general licenses that may be issued in any county during any 12-month period and the number of off-sale general licenses that may be transferred into such county during that 12-month period, exceed the limitation set forth in Section 23817.

(b) All on-sale general licenses may be transferred from one county to another county, subject to the following provisions:

(1) The number of on-sale general licenses in existence in any county on June 1 of any year shall not be increased by more than 10 percent by the issuance of new original on-sale general licenses, but in no event to exceed 25 such licenses, during any 12-month period. The number of on-sale general licenses shall be limited by the provisions of Section 23816.

(2) After the department computes the number of new original on-sale licenses that may be issued in any county during any 12-month period as provided by the foregoing paragraph, if the department determines that the ratio established by Section 23816 will permit, during that 12-month period, additional on-sale general licenses in any county, on-sale general licenses may be transferred into that county in a number not to exceed by more than 10 percent the number of on-sale general licenses in existence in that county on June 1 with which that 12-month period began, but in no event to exceed 25 such transfers during that 12-month period.

(3) Under no circumstances shall the combined total number of new original on-sale general licenses that may be issued in any county during any 12-month period and the number of on-sale general licenses that may be transferred into that county during that 12-month period, exceed the limitation set forth in Section 23816.

(4) The transfer fee for transfer of an on-sale general license from one county to another county shall be the same as the fee prescribed in subdivision (d) of Section 24072 for transfer of an off-sale general license from one county to another county.

(c) No retail license subject to the provisions of Section 23816 or 23817 issued as a new original license on or after June 1, 1961, and no off-sale general license or on-sale general license transferred from one county to another county on or after August 17, 1967, shall be transferable from the licensee to another person, or if the licensee is a corporation a controlling interest in the stock ownership of the licensee shall not be, directly or indirectly, sold, transferred, or hypothecated unless the licensee be a corporation the stock of which is listed on a stock exchange in this state or in the City of New York, State of New York, or which is required by law to file periodic reports with the United States Securities and Exchange Commission, for a period of two years from date of issuance of the license, except as provided in Section 24071, and except when the department determines that the transfer is necessary to prevent undue hardship.

(d) (1) An on-sale general license or off-sale general license that has been transferred from one county to another county shall not be transferred for a purchase price or consideration in excess of the original fee paid for that license pursuant to subdivision (b) of Section 23954.5 for a period of five years following the previous transfer of that license.

(2) An on-sale general license or off-sale general license that has been transferred from one county to another county may be transferred with no restrictions as to the purchase price or consideration to the transferor or from the transferee after a period of five years from the date of the previous intercounty transfer of the license.

SEC. 5. Section 25605 of the Business and Professions Code is amended to read:

25605. No off-sale licensee shall deliver any alcoholic beverages pursuant to orders received for alcoholic beverages by telephone or other electronic means unless upon delivery the recipient shall be able to furnish proof of age and identity to indicate that he or she is 21 years of age or over.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.