

CONCURRENCE IN SENATE AMENDMENTS  
AB 1589 (Committee on Governmental Organization)  
As Amended June 16, 2021  
Majority vote

## SUMMARY

This bill authorizes the electronic filing of appeals to the Alcoholic Beverage Control Appeals Board (Board) and electronic delivery of final orders by the Board. Additionally, this bill clarifies that a licensed retailer is not obligated to buy or sell the alcoholic beverage products of a distilled spirits wholesaler when selling marketing data to that wholesaler.

### Senate Amendments

- 1) Authorizes the electronic filing of appeals to the Board and electronic delivery of final orders by the Board to a party and make other conforming changes.
- 2) Provides that the Board need only fix a date and time for oral argument if the party requests it.

## COMMENTS

### *Background:*

*ABC Appeals Board.* The Board provides quasi-judicial administrative review of decisions of ABC. The questions that may be considered by the Board are limited by the California Constitution and by statute. The Board determines appeals solely on the record of the Department of Alcoholic Beverage Control (ABC) and any briefs filed by the parties. No additional evidence may be received by the Board. However, the parties to appeal may present oral argument during the Board's monthly hearings.

The Board issues written decisions with order affirming, reversing, and/or remanding the ABC's decisions. Judicial review of the Board may be obtained by filing a petition for writ of review with the California Supreme Court or the Court of Appeal. The Board has utilized a paper and mail-based process since it was established over 60 years ago. Current law allows licensees 40 days from the date of ABC's decision to file a written appeal by mail. An appeal is deemed filed on the day it is received in the Board's office. Current law also requires the Board's decisions to be mailed to all parties. Email of appeals and decisions does not satisfy the Board's statutory requirements.

This bill authorizes the electronic filing of appeals to the Board and electronic delivery of final orders by the Board to a party and make other confirming changes.

*Distilled spirits wholesaler license.* A distilled spirits wholesaler license, or a Type 18 alcohol license is issued to those individuals who conduct wholesale distribution of distilled spirits only. The requirements to qualify for this type of license are outlined in the California Code of Regulations. Qualifications include, maintaining warehouse space either owned or leased by the licensee or dedicated to his or her use in a public warehouse. Such space is required to sufficient to store at one time either a stock of distilled spirits equal to 10% or more of his annual case volume of distilled spirits sales to retailers, or a stock of distilled spirits whose cost of acquisition

is one hundred thousand dollars or more. According to ABC's Internet Web site, there are currently 925 distilled spirits wholesaler licenses in the State of California.

### **According to the Author**

This bill is an omnibus measure from the Assembly Governmental Organization Committee that makes minor, non-controversial changes to statute. According to the author's office, "this bill would permit appellants to file appeals electronically. It further allows the Board the option to issue its decisions electronically. The option of mail would still be permitted. Additionally, AB 1589 fixes an oversight in current law by including a "distilled spirits wholesaler" within a current provision that prohibits a licensed retailer from being obligated to purchase or sell alcoholic beverages of the licensee conducting the research."

### **Arguments in Support**

None on file

### **Arguments in Opposition**

None on file

## **FISCAL COMMENTS**

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

## **VOTES:**

### **ASM GOVERNMENTAL ORGANIZATION: 21-0-1**

**YES:** Frazier, Bigelow, Aguiar-Curry, Berman, Carrillo, Cooley, Cooper, Daly, Davies, Eduardo Garcia, Gipson, Jones-Sawyer, Lackey, Villapudua, Mathis, Quirk-Silva, Ramos, Robert Rivas, Blanca Rubio, Salas, Smith

**ABS, ABST OR NV:** Gallagher

### **ASM APPROPRIATIONS: 15-0-1**

**YES:** Lorena Gonzalez, Bigelow, Calderon, Carrillo, Chau, Megan Dahle, Davies, Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Holden, Luz Rivas

**ABS, ABST OR NV:** Eduardo Garcia

### **ASSEMBLY FLOOR: 75-0-3**

**YES:** Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bigelow, Bloom, Boerner Horvath, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Mathis, Mayes, McCarty, Medina, Muratsuchi, Nazarian, Nguyen, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Seyarto, Smith, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wood

**ABS, ABST OR NV:** Maienschein, Mullin, Rendon

**SENATE FLOOR: 37-0-3**

**YES:** Archuleta, Atkins, Bates, Becker, Bradford, Caballero, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, Limón, McGuire, Melendez, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Umberg, Wieckowski, Wiener, Wilk

**ABS, ABST OR NV:** Allen, Borgeas, Stern

**UPDATED**

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