

# TOWNSEND

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## MEMO

**To:** City of Cupertino  
Legislative Review Committee

**From:** Townsend Public Affairs, Inc.

**Date:** February 26, 2021

**Subject:** Consider adopting a position on Senate Bill 314 (Wiener) Bar and Restaurant Recovery Act

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### Summary

SB 314 (Wiener), introduced as the Bar and Restaurant Recovery Act, makes a number of changes in state law relating to state alcohol licenses. Specifically, the measure:

- Makes permanent the temporary pandemic regulation allowing the Department of Alcohol and Beverage Control to issue a COVID-19 permanent caterer's authorization to a licensee under an on-sale general alcohol license. This authorization allows for the on-site consumption of alcoholic beverages, for which the license has on-sale privileges, on property that is adjacent to the licensed premise and is under the control of the licensee. Adjacent areas under the licensee include, but are not limited to:
  - Indoor areas accessible from within the licensed premise, but not currently licensed
  - Outdoor areas accessible from within the licensed premise, but not currently licensed
  - Indoor and outdoor areas that are accessible from the licensed premises but not currently licensed
  - Indoor and outdoor areas under the control of the licensee and one or more other businesses
  - Parking lots
  - Sidewalks and other public thoroughfares that are closed to public access during the period of service
  - Other areas within close proximity to the licensed premises that are immediately accessible to the licensee, and that are secured by, and under the control of, the licensee.
- Allows two different restaurants or bars to operate at the same location with different alcohol licenses, specifying each of their businesses' operating hours on the license. Current law prohibits this kind of space sharing with different alcohol licenses.
- Enable a building that has two or more businesses within it to utilize a shared alcohol consumption space, either indoors or outdoors. This will allow restaurants and bars to save on administrative costs by permitting the use of a shared location within a single licensed building.

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- Streamlines, and makes more flexible, California’s alcohol license process by:
  - Expediting issuance of alcohol licenses by capping appeals and protest hearings to a six-month deadline.
  - Allowing businesses to use a flexible catering license at one location more than the 24 times currently allowed under law.
  - Expediting the approval of new catering licenses for existing businesses that already own a different type of alcohol license.
- Creates a new entertainment venue liquor license separate from a regular restaurant license.
- Eliminates the annual limitation on tastings allowed at wineries and distilleries.
- Authorizes cities and counties to create an open container entertainment zone for the authorization of outdoor festivals, street fairs, live-music concerts, and other such events, where people can purchase and consume alcohol, including from surrounding businesses.

The changes proposed in SB 314 are related to the licenses governing the sale and consumption of alcohol, issued by the Department of Alcoholic Beverage Control. The measure does not modify local zoning and use laws, except to allow for the establishment of open container zones, which would be at the discretion of the local jurisdiction.

According to the author, “SB 314 will help the hospitality industry bounce back from the devastating impacts of the pandemic, enacting common sense reforms, restructuring outdated laws, and allowing businesses more opportunities to succeed.

The COVID-19 pandemic has devastated small businesses — particularly in the hospitality industry. Bars and restaurants have either been closed or operating at reduced capacity. Music venues have been closed entirely. Many hospitality businesses have permanently shut down since March, having not operated at full capacity for so long. We have a responsibility to make it easier for small businesses to bounce back and stay open, and to ease the burden of unnecessarily difficult and antiquated regulations that keep these small businesses from thriving.”

Status

SB 314 was introduced on February 4<sup>th</sup>. The measure has not yet been referred to a policy committee.

Support

Since SB 314 has not yet been set for hearing, an official list of supporters is not yet available.

Opposition

Since SB 314 has not yet been set for hearing, an official list of opponents is not yet available.

Recommended Action

A) Adopt a watch position on SB 314 and authorize the Mayor to send letters to the state legislature, unless the City Council decides to place this bill on a future Council agenda to consider

as the full Council;

Or B) Make a recommendation that the City Council take a watch position on SB 314.