

AB 61 (GABRIEL): BUSINESS PANDEMIC RELIEF

POSITION: The Chamber's Public Policy Committee voted to SUPPORT the bill on April 13, 2021. The Board of Directors voted to SUPPORT the bill on April 22, 2021.

RATIONALE: AB 61 extends some of the common-sense regulatory changes that came about as a result of COVID for the most hard-hit industries.

STATUS: AB 61 was introduced by Assemblymember Jesse Gabriel on January 7, 2021. It has passed through the Assembly and has been referred to the Senate committees on H. & C.D. and L. GOV as of June 10th.

SUMMARY

AB 61 builds upon, or seeks to make more long-term, some of the exceptions or programs that were established for businesses due to COVID. Among these are: authorization of third-party delivery licenses or services for the sale of alcoholic beverages to be consumed off licensed premises ("to-go"); protects businesses, specifically restaurants, that have expanded their outdoor service from discretionary local government action; exempts kitchens and outdoor coffee bars from the state code that requires permanent food facilities to be "fully enclosed in a building consisting of permanent floors, walls, and an overhead structure"; and allows for local governments to declare a speed limit of 15 or 20 miles per hour in areas where outdoor dining is authorized (building on San Diego's "slow streets" program).

INDUSTRY/IES IMPACTED

AB 61 will impact the restaurant and hospitality industry.

ADDITIONAL INFORMATION

Due to COVID-19, restaurants were hit disproportionately hard. According to industry data, one in 12 people in the County of San Diego work in the restaurant industry, and many of them experienced prolonged furloughs or job losses due to mandated closures or heavily restricted operations. In 2020, sales tax revenues for restaurants dropped 39%, equaling a loss of almost \$2 billion to the local economy. Further, in January of 2021, San Diego received the unenviable designation of having the worst restaurant sales for a major metro market in the entire U.S. The devastating impact of the pandemic, as described, resulted in localities and restaurant operators creating new ways to serve their customers, which was heavily reliant on the ability to expand operations outdoors. This bill codifies those opportunities so that restaurants statewide can benefit from creative programs like those established in San Diego, and maintains some of the more popular options, like beverages to-go, for the near future.

SUPPORTERS

- California Restaurant Association

OPPONENTS

- None known at time of writing

ARGUMENTS IN FAVOR

AB 61 helps to address the issues faced by restaurants that have come to be reliant on certain measures taken during the pandemic as they ease back in to full, indoor dining.

ARGUMENTS IN OPPOSITION

According to Alcohol Justice, this bill would take away local control and force the ABC to reduce regulations which would result in an extensive threat to public health and safety.