



THE OFFICE OF SENATE MAJORITY WHIP

LENA A. GONZALEZ

SENATOR 33RD SENATE DISTRICT

SB 498 (Gonzalez) Preventing the Unlawful Sale of Alcohol to Minors

SUMMARY

Senate Bill (SB) 498 enhances the California Department of Alcoholic Beverage Control's (ABC) ability to encourage and enforce voluntary compliance with current law relating to the sale of alcohol to a minor. Specifically, SB 498 will adjust administrative penalties as well as the fines for selling alcohol to a minor in order to increase their effectiveness and to strengthen their deterrent effect.

Additionally, SB 498 would provide ABC with the authority to consider the outcome of a licensee's unlawful sale to a minor when determining the appropriate level of discipline.

EXISTING LAW

Under current law, ABC licensees face increased penalties for alcohol sales to minors. A first time sale may result in a fine or temporary license suspension. A second sale to a minor within a three year period is an automatic license suspension, and a third sale to a minor within a three year period may result in license revocation.

SB 1102 (Senate Budget and Fiscal Review Committee, Chapter 227, Statutes of 2004) authorized ABC to accept petitions for an offer in compromise (POIC) and accept fines in lieu of liquor-license suspensions, for a second violation of the law within a 36-month period, equivalent to 50 percent of the estimated gross sales of alcoholic beverage for each day of the proposed suspension, with a floor of \$2,500 and ceiling of \$20,000.

Existing law provides that every person who sells, furnishes, gives, or causes to be sold, furnished, or given away, any alcoholic beverage to any person under the age of 21 years is guilty of a misdemeanor and makes that violation a misdemeanor punishable by 6 months to one year in county jail, a fine of \$1,000, or both (Bus. & Prof. Code Sec. 25658).

BACKGROUND/PROBLEM

Underage drinking has numerous negative effects and consequences. Underage alcohol consumption not only damages the brain from fully developing, it can lead to fatal outcomes. Data from the 2020 calendar year shows there were 367 alcohol-attributable deaths for people under the age of 21. The number of fatalities involving 15-to-20-year old drivers with a blood alcohol content greater than 0.01% was 76, and 20% of all fatal crashes involved a 15-to-20 year old driver.¹

ABC license holders have the responsibility of following California law and ensuring that alcohol is not being sold to minors at their licensed locations. As the department responsible for alcohol regulation and education, ABC has the authority to impose administrative, non-punitive penalties with the goal of encouraging and enforcing compliance with the law. Administrative penalties have proven to help deter violations of important laws.

¹ U.S. Department of Health and Human Services (HHS), Substance Abuse and Mental Health Services Administration (SAMHSA; 2021). 2021 California State Report – Underage Drinking Prevention and Enforcement. Rockville, MD: SAMHSA.

However, outdated penalties that are being offered in lieu of suspension are less effective when they do not keep pace with the cost of living. The current administrative fines offered in compromise by ABC have not been increased to reflect the cost of living since 1994, undermining the ability for ABC to properly enforce the law.

Having a license to sell alcohol comes with the great responsibility of ensuring public safety. However, outdated fines for violations, and having the ability to petition for offer in compromise (POIC), dissuade further compliance as underage drinking continues to be a huge issue in California.

SOLUTION

SB 498 promotes stronger enforcement and greater compliance with existing laws that prohibit the sale of alcohol to a person under the age of 21 and allows ABC to consider the outcome of violations to prevent future fatalities associated with underage drinking and driving.

Specifically, SB 498 increases current POIC limits as well as fines for furnishing alcohol to a minor, to keep with the cost of living, as follows:

- Increases POIC limit from \$3,000 to \$6,000 for the first violation.
- Increases POIC limit from \$6,000 to \$12,000 for subsequent violation within three years.
- Increases POIC limit from \$20,000 to \$40,000 for a second violation that occurs within 36 months of the initial violation.
- Increases fine for selling to minors from \$1,000 to \$3,000.

Additionally, SB 498 authorizes ABC, when determining the appropriate level of discipline, to consider the outcome of the violation for selling alcohol to a minor or an obviously intoxicated person. With this enhanced authority, ABC will be able to aggravate penalties based on whether there is a subsequent death or great bodily injury caused to the minor or any other person.

SUPPORT

City of Long Beach (Sponsor)
Alcohol Justice
The Department of Alcoholic Beverage Control

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