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## **BUSINESS AND PROFESSIONS CODE - BPC**

DIVISION 9. ALCOHOLIC BEVERAGES [23000 - 25762] (Division 9 added by Stats. 1953, Ch. 152.) CHAPTER 5. Restrictions on Issuance of Licenses [23770 - 23827] (Chapter 5 added by Stats. 1953, Ch. 152.)

ARTICLE 1.5. Conditional Licenses [23800 - 23805] (Article 1.5 added by Stats. 1959, Ch. 1351.)

23800. The department may place reasonable conditions upon retail licensees or upon any licensee in the exercise of retail privileges in the following situations:

- (a) If grounds exist for the denial of an application for a license or where a protest against the issuance of a license is filed and if the department finds that those grounds may be removed by the imposition of those conditions.
- (b) Where findings are made by the department which would justify a suspension or revocation of a license, and where the imposition of a condition is reasonably related to those findings. In the case of a suspension, the conditions may be in lieu of or in addition to the suspension.
- (c) Where the department issues an order suspending or revoking only a portion of the privileges to be exercised under the license.
- (d) Where findings are made by the department that the licensee has failed to correct objectionable conditions within a reasonable time after receipt of notice to make corrections given pursuant to subdivision (e) of Section 24200, or subdivision (a) or (b) of Section 24200.1.
- (e) (1) At the time of transfer of a license pursuant to Section 24070, 24071.1, or 24071.2, and upon written notice to the licensee, the department may adopt conditions that the department determines are reasonable pursuant to its investigation or that are requested by the local governing body, or its designated subordinate officer or agency, in whose jurisdiction the license is located. The request for conditions shall be supported by substantial evidence that the problems either on the premises or in the immediate vicinity identified by the local governing body or its designated subordinate officer or agency will be mitigated by the conditions. Upon receipt of the request for conditions, the department shall either adopt the conditions requested or notify the local governing body, or its designated subordinate officer or agency, in writing of its determination that there is not substantial evidence that the problem exists or that the conditions would not mitigate the problems identified. The department may adopt conditions only when the request is filed. Any request for conditions from the local governing body or its designated subordinate officer or agency pursuant to this provision shall be filed with the department within the time authorized for a local law enforcement agency to file a protest or proposed conditions pursuant to Section 23987.
  - (2) If the license to be transferred subject to paragraph (1) is located in an area of undue concentration as defined in Section 23958.4, the period within which the local governing body or its designated subordinate officer or agency may submit a written request for conditions shall be 40 days after the mailing of the notices required by Section 23987. For purposes of this provision only, undue concentration shall be established when the requirements of both paragraph (1) of subdivision (a) and either paragraph (2) or paragraph (3) of subdivision (a) of Section 23958.4 exist. Pursuant to Section 23987, the department may extend the 40-day period for a period not to exceed an additional 20 days upon the written request of any local law enforcement agency or local government entity with jurisdiction. Nothing in this paragraph is intended to reduce the burden of the local governing body or its designated subordinate officer or agency to support any request for conditions as required by paragraph (1). Notwithstanding Section 23987, the department may not transfer any license subject to this paragraph until after the time period permitted to request conditions as specified in this paragraph.
- (f) At the time of a transfer of a license pursuant to Article 5 (commencing with Section 24070) of Chapter 6.
- (g) At the time any physical changes or alterations are made to the licensed premises, subject to approval by the department, that materially or substantially alter the premises or the usage of the premises from the plan contained in the diagram of licensed premises on file with the license application.

(Amended by Stats. 2018, Ch. 362, Sec. 1. (SB 1503) Effective January 1, 2019.)

- **23801.** The conditions authorized by Section 23800 may cover any matter relating to the privileges to be exercised under the license, the personal qualifications of the licensee, the conduct of the business or the condition of the premises, which will protect the public welfare and morals, including, but not limited to, the following:
- (a) Restrictions as to hours of sale.
- (b) Display of signs.
- (c) Employment of designated persons.
- (d) Types and strengths of alcoholic beverages to be served where such types or strengths are otherwise limited by law.
- (e) In cases under subdivision (c) of Section 23800, the portion of the privileges to be exercised under the license.
- (f) The personal conduct of the licensee.
- (g) In cases under subdivision (f) of Section 23800, restrictions on the presence of the license transferor on the licensed premises without lawful business if that license transferor has multiple violations of this division when in possession of the license. For purposes of this section, "lawful business" specifically excludes, without limitation, working or volunteering at the premises, consulting with the licensee regarding the operation of the premises, and loitering.

(Amended by Stats. 2008, Ch. 254, Sec. 2. Effective January 1, 2009.)

**23802.** Such conditions shall be endorsed upon the license and any renewal thereof and shall be binding upon all persons to whom the license is transferred.

(Added by Stats. 1959, Ch. 1351.)

- 23803. (a) The department, upon its own motion or upon the petition of a licensee or a transferee who has filed an application for the transfer of the license, if it is satisfied that the grounds that caused the imposition of the conditions no longer exist, shall order their removal or modification, provided written notice is given to the local governing body of the area in which the premises are located. The local governing body has 30 days to file written objections to the removal or modification of any condition. The department may not remove or modify any condition to which an objection has been filed without holding a hearing as provided in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.
- (b) For purposes of this section, a situation in which the "grounds that caused the imposition of the conditions no longer exist" includes, but is not limited to, the situation in which there have been substantial changes in the totality of circumstances such that the department determines that the current circumstances reasonably justify the modification or removal of the conditions.
- (c) Any petition for the removal or modification of a condition pursuant to this section shall be accompanied by a fee of four hundred seventy-five dollars (\$475). This fee may be adjusted by the department pursuant to subdivisions (d) and (e) of Section 23320. (Amended by Stats. 2019, Ch. 29, Sec. 36. (SB 82) Effective June 27, 2019.)
- **23804.** A violation of a condition placed upon a license pursuant to this article shall constitute the exercising of a privilege or the performing of an act for which a license is required without the authority thereof and shall be grounds for the suspension or revocation of such license.

(Added by Stats. 1959, Ch. 1351.)

23805. The proceedings specified in Section 23800(a), (b), (c), (d), and (e) shall be conducted in the same manner as is required for other proceedings involving petitions, protests or accusations, and the right of a respondent in the proceedings to appeal shall include the right to appeal from an order imposing conditions upon the licenses involved in the proceedings. If the department gives notice of conditions pursuant to subdivision (e) of Section 23800 or denies a petition filed under Section 23803, the licensee or transferee may, within 10 days after the mailing of the denial, make a written request for a hearing. The proceedings at the hearing shall be conducted as provided in Section 24300, and the respondent shall have the same rights of appeal therefrom as in disciplinary actions.

(Amended by Stats. 1999, Ch. 499, Sec. 2. Effective January 1, 2000.)