



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

AB-342 Alcoholic beverages: hours of sale: hospitality zones. (2025-2026)

SHARE THIS:  

Date Published: 07/01/2025 09:00 PM

AMENDED IN SENATE JULY 01, 2025

AMENDED IN ASSEMBLY MAY 23, 2025

AMENDED IN ASSEMBLY APRIL 29, 2025

AMENDED IN ASSEMBLY MARCH 28, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 342

Introduced by Assembly Member Haney
(Principal coauthor: Assembly Member Mark González)
(Principal coauthor: Senator Wiener)
(Coauthors: Assembly Members Elhawary, Solache, and Wallis)

January 28, 2025

An act to amend Section 25631 of, and to add and repeal Section 25634 of, the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 342, as amended, Haney. Alcoholic beverages: hours of sale: hospitality zones.

Existing law, the Alcoholic Beverage Control Act, which is administered by the Department of Alcoholic Beverage Control, regulates the application for, and the issuance and suspension of, alcoholic beverage licenses. Existing law requires moneys collected as fees pursuant to the act to be deposited in the Alcohol Beverage Control Fund, with those moneys generally allocated to the Department of Alcoholic Beverage Control upon appropriation by the Legislature. Existing law makes it a misdemeanor for any on- or off-sale licensee, or agent or employee of the licensee, to sell, give, or deliver to any person any alcoholic beverage between the hours of 2 a.m. and 6 a.m. of the same day, and for any person who knowingly purchases any alcoholic beverages between those hours.

This bill, beginning June 1, 2026, would allow an on-sale licensee, or their agent or employee, to sell or give alcoholic beverages until 4 a.m. on Fridays, Saturdays, or specified state holidays within a hospitality zone, defined to include a Hospitality Zone and a Special Event Hospitality Zone established pursuant to the bill's provisions, as specified. The ~~bill, beginning June 1, 2026, bill~~ would authorize the department to ~~issue~~ *issue, following the adoption of rules and regulations and the satisfaction of any conditions for issuance, as specified*, an additional serving hours license that authorizes an on-sale licensee, or their agent or

employee, to sell or give alcoholic beverages within the timeframes described above in a hospitality zone, as specified. The bill would authorize an additional service hours license to be used by a licensed premises in a Hospitality Zone if a local governing body, as defined, of the city or county, as applicable, in which the licensed premises is located adopts an ordinance that meets certain requirements, as specified, and submits the ordinance to the department. *The bill would also require, before the adoption of that ordinance, local law enforcement to present to the local governing body a late night policing plan that includes specified components, including, among other things, an analysis on the potential impact of creating a hospitality zone on public safety.*

The bill would authorize an additional service hours license to also be used by a licensed premises in a Special Event Hospitality Zone if a local governing body of the city or county, as applicable, in which the licensed premises is located adopts an ordinance that meets certain requirements and submits the ordinance to the department. The bill would require the ordinance to identify a Special Event Hospitality Zone in which an on-sale licensed premises would be eligible for an additional serving hours license, as specified, or to authorize at least one local department or other local entity to identify Special Event Hospitality Zones in which an on-sale licensed premises would be eligible for an additional serving hours license. The bill would require the local governing body, or the local department or other local entity authorized by the local governing body, to identify a Special Event Hospitality Zone in which an on-sale licensed premises would be eligible for an additional serving hours license subject to certain requirements, including that the local governing body, or the local department or other local entity authorized by the local governing body, draws or otherwise identifies on a map of the local area the boundary of each Special Event Hospitality Zone as specified, and identifies the duration in which each Special Event Hospitality Zone is operative, as specified.

The bill, beginning January 1, 2026, would authorize a local governing body to comply with the above-described requirements and submit an ordinance described above to the department. The bill would also authorize the department to review those ordinances.

The bill, beginning ~~January~~ *June* 1, 2026, and subject to the department receiving an applicable ordinance described above, would authorize an on-sale licensee to apply for an additional serving hours license. In this regard, the bill would require an applicant for an additional serving hours license to pay a \$2,500 fee at the time of application and specify that the fee for an original and annual additional serving hours license is \$2,500, and would require these fees to be deposited into the Alcohol Beverage Control Fund. The bill would require the \$2,500 fees to be adjusted annually by the department for inflation based on changes to the California Consumer Price Index for All Urban Consumers. The bill ~~would~~ *would, among other things*, prohibit an on-sale licensee from exercising off-sale privileges during the additional serving hours permitted pursuant to an additional serving hours license and specify that an additional serving hours license is not transferrable between on-sale licensed premises. The bill would authorize a local governing body to charge an additional serving hours licensee a fee to fund local law enforcement.

The bill would require the department, upon receipt of an application by an on-sale licensee for an additional serving hours license, to make a thorough investigation. The bill would require the applicant to notify law enforcement and residents, who may then file with the department protests and requests for a hearing, as specified. The bill would make it a misdemeanor for any person under 21 years of age to enter and remain in licensed premises during the additional service hours period without lawful business therein punishable by a fine of not less than \$200. By creating a new crime, the bill would impose a state-mandated local program. The bill would require the department to adopt rules and regulations to enforce these provisions. The bill would require a city or county, as applicable, that by ordinance identifies, or authorizes a local department or other local entity to identify, a hospitality zone to provide the Legislature an annual report on its impact, as specified.

The bill would require the Department of the California Highway Patrol, on or before January 1, 2029, to provide to the Legislature a report on the regional impact of the hospitality zones, as specified, and would authorize regional entities, including law enforcement, to provide information to that department on the impact that the hospitality zones had in their jurisdiction, as specified. The bill would repeal its provisions on January 1, 2031.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 25631 of the Business and Professions Code is amended to read:

25631. (a) (1) An on- or off-sale licensee, who does not hold an additional serving hours license pursuant to Section 25634, or agent or employee of that licensee, who sells, gives, or delivers to any persons any alcoholic beverage or any person who knowingly purchases any alcoholic beverage between the hours of 2 a.m. and 6 a.m. of the same day, is guilty of a misdemeanor.

(2) For the purposes of this subdivision, on the day that a time change occurs from Pacific standard time to Pacific daylight saving time, or back again to Pacific standard time, "2 a.m." means two hours after midnight of the day before the day that the change occurs.

(b) (1) Beginning on June 1, 2026, an on-sale licensee who holds an additional serving hours license pursuant to Section 25634, or agent or employee of the licensee, who sells or gives to any person any alcoholic beverage or any person who knowingly purchases any alcoholic beverage on any day that is declared by the Governor to be an official state holiday or is a holiday listed on the Department of Human Resources internet website, or on any other Friday or Saturday, between the hours of 4 a.m. and 6 a.m. of the same day, in a hospitality zone determined pursuant to Section 25634, is guilty of a misdemeanor.

(2) For the purpose of this subdivision, both of the following definitions apply:

(A) On the day that a time change occurs from Pacific standard time to Pacific daylight saving time, or back again to Pacific standard time, "4 a.m." means four hours after 12 a.m. of the day before the day that the change occurs.

(B) "Hospitality zone" has the same meaning as that term is defined in Section 25634.

SEC. 2. Section 25634 is added to the Business and Professions Code, to read:

25634. (a) For purposes of this section, both of the following definitions apply:

(1) (A) "Hospitality zone" means an area that has a high concentration of business activity and serves as a tourism attraction.

(B) "Hospitality zone" includes a Hospitality Zone established pursuant to subdivision (c) and a Special Event Hospitality Zone established pursuant to subdivision (e).

(2) "Local governing body" means the city council or the board of supervisors, as may be applicable, of a city or county.

(b) ~~Beginning on June 1, 2026, Following the department's adoption of rules and regulations pursuant to subdivision (m), and the satisfaction of any conditions for issuance set forth in this section,~~ the department may issue an additional serving hours license that, notwithstanding subdivision (a) of Section 25631, authorizes, with or without conditions, the selling, giving, or purchasing of alcoholic beverages at an individual on-sale licensed premises on any day that is declared by the Governor to be an official state holiday or is a holiday listed on the Department of Human Resources internet website, and on every other Friday or Saturday, between the hours of 2 a.m. and 4 a.m., in a hospitality zone determined pursuant to this section.

(c) (1) An additional serving hours license described in subdivision (b) may be used by a licensed premises in a Hospitality Zone if a local governing body of the city or county, as applicable, in which the licensed premises is located adopts an ordinance that meets the requirements of subdivision (d) and submits that ordinance to the department.

(2) *Before the local governing body adopts the ordinance specified in paragraph (1), local law enforcement shall present to the local governing body a late night policing plan that includes all of the following components:*

(A) A targeted deployment schedule.

(B) A description on the necessary staffing numbers based on the time of night.

(C) Relevant crime statistics.

(D) An analysis on the potential impact of creating a hospitality zone on public safety.

(E) A recommendation on whether a hospitality zone should be created.

(d) The ordinance specified in subdivision (c) shall do both of the following:

(1) Indicate that the city or county, as applicable, will allow additional serving hours licenses in any Hospitality Zones determined by the local governing body.

(2) Identify the Hospitality Zones in which an on-sale licensed premises would be eligible for an additional serving hours license as follows:

(A) (i) The local governing body shall draw or otherwise identify on a map of the local area the boundary of each Hospitality Zone, which may or may not include the entire city or county, and include a description of each zone.

(ii) The local governing body in drawing or otherwise identifying each Hospitality Zone shall consider all of the following:

(I) The cultural, historic, and economic appropriateness of the zone.

(II) A study conducted, and a report provided, by the local governing body on the safety and transportation availability of the zone.

(III) Means to increase the local governing body's safety plan.

(IV) The walkability of the zone.

(V) The proximity of the zone to hotels and major arenas and convention centers.

(B) The local governing body shall consider and identify the area that will be affected by the additional serving hours and demonstrates how that area will benefit from the additional serving hours.

(C) The local governing body shall consider all of the following:

(i) An assessment by the local governing body, prepared in consultation with local law enforcement, regarding the potential impact of the additional serving hours area and the public safety plan, created in consultation with local law enforcement, for managing those impacts that has been approved by the local governing body. The assessment shall include crime statistics, data derived from police reports, emergency medical response data, sanitation reports, and public health reports related to the additional serving hours area.

(ii) An assessment by the local governing body on the impact of the local law enforcement budget and feasibility of increasing the budget within the Hospitality Zone.

(iii) An assessment by the local governing body, prepared in consultation with the county transportation authority, regarding the potential impact of an additional serving hours area and a transportation plan, prepared in consultation with the county transportation authority, for managing transportation impacts that has been approved by the local governing body.

(iv) Whether funding has been identified to carry out the local transportation agency's transportation plan.

(v) Whether transportation services are readily accessible in the additional serving hours area during the additional serving hours.

(vi) Programs to increase public awareness of the transportation services available in the additional serving hours area.

(D) The local governing body shall set a maximum number of additional serving hours licenses permitted in each hospitality zone. The total number of licenses across all hospitality zones shall not exceed one license for every 6,000 residents in the city or county, based on population numbers determined by the most recent federal decennial census.

(e) (1) An additional serving hours license described in subdivision (b) may be used by a licensed premises in a Special Event Hospitality Zone if a local governing body of the city or county, as applicable, in which the licensed premises is located adopts an ordinance that indicates that the city or county, as applicable, will allow additional serving hours licenses in Special Event Hospitality Zones and does either of the following:

(A) Identifies a Special Event Hospitality Zone in which an on-sale licensed premises would be eligible for an additional serving hours license that meets all of the requirements described in paragraph (2), and submits the ordinance to the department.

(B) Authorizes at least one local department or other local entity to identify Special Event Hospitality Zones in which an on-sale licensed premises would be eligible for an additional serving hours license that meets all of the following requirements described in paragraph (2), and submits the ordinance to the department.

(2) The local governing body, or the local department or other local entity authorized by the local governing body, shall identify a Special Event Hospitality Zone in which an on-sale licensed premises would be eligible for an additional serving hours license as follows:

(A) (i) The local governing body, or the local department or other local entity authorized by the local governing body, shall draw or otherwise identify on a map of the local area the boundary of each Special Event Hospitality Zone, which may or may not include the entire city or county, and include a description of each zone.

(ii) The local governing body, or the local department or other local entity authorized by the local governing body, in drawing or otherwise identifying each Special Event Hospitality Zone, shall consider all of the following:

(I) The cultural, historic, and economic appropriateness of the zone.

(II) A study conducted by, and a report provided by, the local governing body on the safety and transportation availability of the zone.

(III) Means to increase the local governing body's safety plan.

(IV) The walkability of the zone.

(V) The proximity of the zone to hotels and major arenas and convention centers.

(B) The local governing body, or the local department or other local entity authorized by the local governing body, shall further identify the area that will be affected by the additional serving hours and demonstrate how that area will benefit from the additional serving hours.

(C) (i) The local governing body, or the local department or other local entity authorized by the local governing body, shall identify the duration in which each Special Event Hospitality Zone is operative. A Special Event Hospitality Zone shall not be operative for more than one month.

(ii) Notwithstanding clause (i), the local governing body may adopt an ordinance to extend the duration of a Special Event Hospitality Zone.

(f) A local governing body may comply with this section and submit an ordinance to the department beginning January 1, 2026.

(g) (1) Upon receipt of an ordinance adopted pursuant to subdivision (c) or (e), including documentation regarding protests to the ordinance, the department shall review the ordinance to ensure that the ordinance contains the information required for the ordinance described in subdivision (c) or (e), as applicable. The department shall not issue an additional serving hours license to an applicant if the ordinance from the city or county, as applicable, does not meet the requirements for the ordinance described in subdivision (c) or (e), as applicable.

(2) The department may review ordinances beginning on January 1, 2026.

(h) (1) (A) An on-sale licensee shall not apply for an additional serving hours license in a hospitality zone pursuant to this section until the department has received the applicable ordinance adopted pursuant to this section.

(B) Subject to subparagraph (A), an on-sale licensee may apply for an additional serving hours license beginning on ~~January~~ June 1, 2026.

(2) If an on-sale licensee has conditions on the license that restrict the hours of sale, service, or consumption of alcohol to a time earlier than 2 a.m., an additional serving hours license shall not authorize any additional serving hours for any day or days of the week during which a restriction exists.

(3) An on-sale licensee issued an additional serving hours license pursuant to this section shall require that all persons engaged in the sale or service of alcohol during the additional hours service period complete a responsible beverage training course.

(4) (A) Notwithstanding Section 23401, off-sale privileges shall not be exercised during the additional serving hours permitted pursuant to an additional serving hours license.

(B) All additional serving hours licenses shall prohibit the off-premises consumption of alcoholic beverages between 2 a.m. and 4 a.m.

(5) An additional serving hours license is not transferable between on-sale licensed premises.

(6) All new, existing, and previously legally nonconforming on-sale licensees, including previous person-to-person transferee licenses, shall be subject to the local governing body's requirements for an additional serving hours license. The local governing body may charge an additional serving hours licensee a fee to fund local law enforcement.

(7) The determination of the necessity for, and types of, local licensing and local permitting in connection with an additional serving hours license shall be made by the local governing body.

(8) The department shall issue, on a first-come-first-served basis, a maximum of one additional serving hours license for every 6,000 residents for the city or county, based on population numbers determined by the most recent federal decennial census, and within the limitations set forth in the applicable ordinance.

(i) (1) Upon receipt of an application by an on-sale licensee for an additional serving hours license pursuant to this section, the department shall make a thorough investigation, including whether the additional serving hours license sought by the applicant would unreasonably interfere with the quiet enjoyment of their property by the residents of the city or county, as applicable, in

which the applicant's licensed premises are located, and may deny an application in the same manner as is provided in Section 23958.

(2) The applicant for an additional serving hours license shall notify the law enforcement agencies of the city or county, as applicable, the residents of the city or county, as applicable, located within 500 feet of the premises for which an additional serving hours license is sought, and any other interested parties, as determined by the local governing body, of the application within 30 consecutive days of the filing of the application, in a manner determined by the local governing body.

(3) Protests may be filed at any office of the department within 30 days from the first date of notice of the filing of the application pursuant to paragraph (2). The time within which a local law enforcement agency may file a protest shall be extended by the period described in Section 23987.

(4) The department may reject protests, except protest made by a public agency or public official, if it determines that the protests are false, vexatious, frivolous, or without reasonable or probable cause at any time before hearing thereon, notwithstanding Section 24300. If, after investigation, the department recommends that an additional serving hours license be issued notwithstanding a protest by a public agency or a public official, the department shall notify the agency or official in writing of its determination and the reasons therefor, in conjunction with the notice of hearing provided to the protestant pursuant to Section 11509 of the Government Code. If the department rejects a protest as provided in this section, a protestant whose protest has been rejected may, within 10 days, file an accusation with the department alleging the grounds of the protest as a cause for revocation of the additional serving hours license and the department shall hold a hearing as provided in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(5) This section shall not be construed as prohibiting or restricting any right that the individual making the protest might have to a judicial proceeding.

(j) (1) If, after investigation, the department recommends that an additional serving hours license be issued, with or without conditions, notwithstanding that one or more protests have been accepted by the department, the department shall notify the local governing body and all protesting parties whose protests have been accepted in writing of its determination.

(2) Any person who has filed a verified protest in a timely fashion pursuant to subdivision (i) that has been accepted pursuant to this section may request that the department conduct a hearing on the issue or issues raised in the protest. The request shall be in writing and shall be filed with the department within 15 business days of the date the department notifies the protesting party of its determination as required under paragraph (1).

(3) At any time before the issuance of the additional serving hours license, the department may, in its discretion, accept a late request for a hearing upon a showing of good cause. Any determination of the department pursuant to this paragraph shall not be an issue at the hearing nor grounds for appeal or review.

(4) If a request for a hearing is filed with the department pursuant to paragraph (2), the department shall schedule a hearing on the protest. The issues to be determined at the hearing shall be limited to those issues raised in the protest or protests of the person or persons requesting the hearing.

(5) Notwithstanding that a hearing is held pursuant to paragraph (4), the protest or protests of any person who did not request a hearing as authorized by this section shall be deemed withdrawn.

(6) If a request for a hearing is not filed with the department pursuant to this section, any protest or protests shall be deemed withdrawn and the department may approve the on-sale licensee's application for an additional serving hours license without any further proceedings.

(7) If the person filing the request for a hearing fails to appear at the hearing, the protest shall be deemed withdrawn.

(k) (1) The department shall notify the applicant of the outcome of the application for an additional serving hours license. Any conditions placed on the on-sale license shall apply to the additional serving hours license. Any additional conditions placed upon the additional serving hours license pursuant to this section shall be subject to Article 1.5 (commencing with Section 23800).

(2) The premises for which an additional serving hours license is issued shall be restricted to patrons 21 years of age or older during the additional serving hours. Any person under 21 years of age who enters and remains in the licensed premises during the additional serving hours without lawful business therein is guilty of a misdemeanor and shall be punished by a fine of not less than two hundred dollars (\$200), no part of which shall be suspended. This paragraph does not prohibit the presence on the licensed premises of a person under 21 years of age that is otherwise authorized by law.

(3) Section 24203 applies to an additional serving hours license issued pursuant to this section. An additional serving hours license may be suspended or revoked separately from the on-sale license.

(l) (1) The applicant shall, at the time of application for an additional serving hours license pursuant to this section, accompany the application with a nonrefundable fee of two thousand five hundred dollars (\$2,500), adjusted annually by the department for inflation based on changes to the California Consumer Price Index for All Urban Consumers.

(2) An original and annual fee for an additional serving hours license issued pursuant to this section shall be two thousand five hundred dollars (\$2,500), adjusted annually by the department for inflation based on changes to the California Consumer Price Index for All Urban Consumers.

(3) Fees collected pursuant to this subdivision shall be deposited into the Alcohol Beverage Control Fund.

(m) ~~The~~ By June 1, 2026, the department shall adopt rules and regulations to enforce this section.

(n) (1) A city or county, as applicable, that by ordinance identifies, or authorizes a local department or other local entity to identify, a hospitality zone pursuant to this section shall provide to the Legislature and the Senate and Assembly Committees on Governmental Organization a report on its regional impact within one year of the first additional serving hours license being issued in that city or county, and then once each year thereafter. The report shall include information on any impact that the additional serving hours have on crime rates in the city or county, including arrests for driving under the influence and domestic violence. The report shall also include a detailed description of the number of licensees that applied for additional serving hours licenses, the number of additional serving hours licenses issued, and conditions placed on those licenses by the department, if any.

(2) A report to be submitted pursuant to paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(o) (1) On or before January 1, 2029, the Department of the California Highway Patrol shall provide to the Legislature and the Senate and Assembly Committees on Governmental Organization a report on the regional impact of the hospitality zones established pursuant to this section. The report shall include, but not be limited to, information on incidents involving driving under the influence and alcohol-related traffic collisions.

(2) Regional entities, including cities, counties, and law enforcement, may provide information to the Department of the California Highway Patrol on the impact that the hospitality zones had in their jurisdiction, including, but not limited to, incidents involving driving under the influence, alcohol-related traffic collisions, and any additional costs accrued.

(3) A report to be submitted pursuant to paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(p) This section shall remain in effect only until January 1, 2031, and as of that date is repealed.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.