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AB-828 Alcoholic beverage control: neighborhood-restricted special on-sale general licenses. (2025-2026)



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## Assembly Bill No. 828

## CHAPTER 715

An act to add Section 23826.24 to the Business and Professions Code, relating to alcoholic beverages.

Approved by Governor October 13, 2025. Filed with Secretary of State October 13, 2025.

## LEGISLATIVE COUNSEL'S DIGEST

AB 828, Mark González. Alcoholic beverage control: neighborhood-restricted special on-sale general licenses.

The Alcoholic Beverage Control Act, administered by the Department of Alcoholic Beverage Control, regulates the sale and distribution of alcoholic beverages and the granting of licenses for the manufacture, distribution, and sale of alcoholic beverages within the state for which various fees are charged depending upon the type of license issued. The act provides for a limitation on the amount of on-sale general licenses that may be issued by the department based on the population of the county in which the licensed premises are located, as provided.

This bill would authorize the department to issue no more than 12 new original neighborhood-restricted special on-sale general licenses to bona fide public eating places located in specified census tracts in the County of Los Angeles per year beginning on January 1, 2026, until a total of 40 new licenses have been issued, as specified. The bill would impose various prohibitions pertaining to the transfer of new licenses, including, among others, a prohibition on selling or transferring the new licenses for a price greater than the original fee paid by the seller or transferor. The bill would authorize the department to adopt rules and regulations to enforce these provisions.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

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

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

**SECTION 1.** Section 23826.24 is added to the Business and Professions Code, to read:

23826.24. (a) Notwithstanding this chapter, in the County of Los Angeles, the department may issue no more than 12 new original neighborhood-restricted special on-sale general licenses to bona fide public eating places located in any of the census tracts listed in subdivision (b) per year beginning on January 1, 2026, until a total of 40 new licenses authorized by this section are issued.

(b) To qualify for a license issued pursuant to this section, the premises for which the license would apply shall be located within one of the following United States Census Bureau census tracts, corresponding to those identified within the 2020 Census, located within the County of Los Angeles, subject to the following limitations:

- (1) United States Census Bureau census tract 2060.10, 2060.20, 2060.51, 2060.52, 2062.01, 2062.02, 2063.01, 2063.02, 2063.03, 2071.01, 2071.02, 2071.03, 2073.03, 2073.04, 2073.05, 2073.06, 2073.07, 2073.08, 2074, 2075.01, 2075.02, 2077.11, 2077.12, 2079.01, 2079.02, 2240.10, 2240.20, 2260.01, 2260.02, 2283.20, 2284.20, 2285, 2286, 2292, 2293, 2294.10, 2294.20, 2318, 2319.01, 2319.02, or 2328. No more than a total of 20 neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.
- (2) United States Census Bureau census tract 1990.01, 1990.02, 1991.20, 1992.01, 1992.02, 1997, 1998.01, 1998.02, 1999, 2031, 2032, 2033, 2035, 2036.01, 2036.02, 2037.10, 2037.20, 2038, 2039, 2041.10, 2041.20, 2042, 2043, 2044.10, 2044.20, 2046, 2047, 2048.10, 2048.20, 2049.10, 2049.20, 2051.10, 2051.20, 2060.50, 2060.53, or 2060.54. No more than a total of 20 neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.
- (3) United States Census Bureau census tract 1895.01, 1895.02, 1897.02, 1898.01, 1898.02, 1899.03, 1899.04, 1899.05, 1899.06, 1899.07, 1901.01, 1901.02, 1902.01, 1902.02, 1903.02, 1903.03, 1905.10, 1907.01, 1907.02, 1908.01, 1908.02, 1909.01, 1909.02, 1910, 1916.10, 1917.10, 1917.20, 1918.10, 1918.20, 1919.01, 1941.01, 1941.02, 1942, 1943, 2083.01, 2083.02, 2084.01, 2084.02, 2085.01, 2085.02, 2086.10, 2086.20, 2098.10, 2098.20, 2100.10, 2123.03, 2123.04, 2123.05, 2123.06, 2124.10, 2124.20, 2125.01, 2125.02, 2132.01, 2133.10, 2133.20, 2134.02, 2211.10, 2211.20, 2212.20, 2216.02, or 2611.03. No more than a total of 20 neighborhood-restricted special on-sale general licenses shall be concurrently held at premises located within all of these tracts.
- (c) In issuing the license pursuant to this section, the department shall follow the procedures set forth in Section 23961. A license shall not be issued pursuant to this section to an applicant until any existing on-sale licenses issued to the applicant for the same premises are canceled.
- (d) (1) A person who currently holds an on-sale general license for a premises, who holds any interest in an on-sale general license for a premises, who has held an on-sale general license for a premises within the 12 months before the date of the drawing required by Section 23961, or who has held any interest in an on-sale general license for a premises within the 12 months before the date of the drawing required by Section 23961, shall not be eligible for a license issued pursuant to this section for that licensed premises.
  - (2) In addition to the other requirements of this section, an application for a neighborhood-restricted on-sale general license shall be subject to all the requirements that apply to an on-sale general license for a bona fide eating place.
- (e) (1) A license issued pursuant to this section shall not be transferred between counties.
  - (2) Except as provided in paragraphs (3) and (4), a license issued pursuant to this section shall not be transferred to any other premises.
  - (3) Paragraph (2) shall not apply to any licensee whose premises have been destroyed as a result of fire or any act of God or other force beyond the control of the licensee, for whom the provisions of Section 24081 shall apply.
  - (4) The department may allow a license issued pursuant to this section to be transferred within the same neighborhood, as described in paragraphs (1) to (3), inclusive, of subdivision (b).
  - (5) A license issued pursuant to this section shall not be sold or transferred for a price greater than the original fee paid by the seller or transferor.
- (f) Following the cancellation or revocation of a license issued pursuant to this section, the department may issue one additional new original neighborhood-restricted special on-sale general license following the procedure set forth in Section 23961 and the provisions of this section.
- (g) A person who holds a neighborhood-restricted special on-sale general license issued pursuant to this section shall not exchange that license for an on-sale license for public premises.
- (h) Except as specified herein, a neighborhood-restricted special on-sale general license may exercise all of the privileges, and is subject to all the restrictions, of an on-sale general license for a bona fide eating place.
- (i) The department may designate licenses issued pursuant to this section as on-sale general for special use. This designation does not alter any license privileges or restrictions established by this section.
- (j) The department may adopt rules and regulations to enforce this section.
- **SEC. 2.** The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique distribution and market conditions of liquor licenses in the County of Los Angeles.