STATE OF CALIFORNIA — BUSINESS, TRANSPORTATION AND HOUSING AGENCY EDMUND G. BROWN JR., *Governor*

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
3927 Lennane Drive, Suite 100
Sacramento, CA 95834
(916) 419-2510

March 1, 2011

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

Re: Business and Professions Code §23055 Report

Dear Mr. Wilson:

AB 432 enacted as Chapter 900, Statutes of 1992, mandated an annual report from the Department to the Legislature.

Please find the enclosed report for calendar year 2010 activities as required by Business and Professions Code §23055. In summary, the Department expended $42,646,613 from the Alcohol Beverage Control Fund in fiscal year 2009-10, and issued 9,444 permanent licenses, renewed 77,749 licenses, and filed 1,929 disciplinary actions against permanent licenses in calendar year 2010.

The report is posted on the Department's website at www.abc.ca.gov and a hard copy may be obtained by contacting Kathleen Rodrigues at (916) 419-2510.

Sincerely,

for Jacob A. Appelsmith
Director

JAA/KHR
Enclosure

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
2010 ANNUAL REPORT TO THE LEGISLATURE

CHAPTER 900, STATUTES OF 1992
BUSINESS & PROFESSIONS CODE, SECTION 23055

(All of the following data is provided for Calendar Year 2010 unless otherwise noted.)

A. AMOUNTS BUDGETED AND EXPENDED BY THE DEPARTMENT FOR LICENSING, COMPLIANCE, AND ADMINISTRATION (STATE OPERATIONS). (THESE AMOUNTS ARE PRESENTED IN FISCAL YEAR FORMAT SINCE THE DEPARTMENT'S BUDGET IS APPROPRIATED IN THIS MANNER. FY 2010/11 EXPENDITURES REFLECT ACCUMULATED EXPENDITURES THROUGH DECEMBER 31, 2010)*

	FY	***2009/10***	***FY***	***2010/11****
	Budget	Expended	Budget	Expended
Licensing	$27,502,896	$23,468,627	$27,110,700	$11,568,919
Compliance	$23,092,021	$21,073,065	$23,094,300	$10,758,915
Administration	$ 4,740,379	$ 3,905,759	$ 4,016,400	$ 1,859,091
Distributed Administration	$ -4,740,379	$ -3,905,759	$ -4,016,400	$ -1,859,091
Reimbursements	$ -2,648,165	$ -1,895,079	$ -1,047,000	$ -669,490
TOTAL	$47,946,752	$42,646,613	$49,158,000	$21,658,344

B. LICENSING ACTIVITY:

- **Number, by type, of permanent licenses issued and average number of days from application to issuance:**

License Type		Number Issued	Average Days
01	Beer Manufacturer	1	89
02	Winegrower	717	90
03	Brandy Manufacturer	1	79
04	Distilled Spirits Manufacturer	10	101
05	Distilled Spirits Manufacturer Agent	4	227
06	Still	9	101
07	Rectifier	3	68
09	Beer and Wine Importer	191	112
10	Beer & Wine Importers General	34	119
11	Brandy Importer	2	125
12	Distilled Spirits Importer	104	120
13	Distilled Spirits Importer's General	33	94
14	Public Warehouse	37	46
16	Wine Broker	10	69
17	Beer & Wine Wholesaler	484	76
18	Distilled Spirits Wholesaler	115	102
20	Off-Sale Beer & Wine	1,572	94
21	Off-Sale General	960	81
22	Wine Blender	9	50
23	Small Beer Manufacturer	38	165
26	Out-of-State Beer Manufacturer Certificate	13	1
28	Out-of-State Distilled Spirits Shippers Certificate	85	1
29	Winegrape Growers Storage License	3	50
40	On-Sale Beer	62	87

41	On-Sale Beer & Wine Eating Place	2,976	83
42	On-Sale Beer & Wine Public Premises	195	106
44	On-Sale Beer Fishing Party Boat	1	73
45	On-Sale Beer & Wine Boat	1	49
47	On-Sale General Eating Place	1,342	100
48	On-Sale General Public Premises	264	75
51	Club	8	91
52	Veterans' Club	2	91
54	On-Sale General Boat	12	91
55	On-Sale General Airplane	4	126
57	Special On-Sale General	12	90
61	On-Sale Beer Public Premise	1	561
63	On-Sale Special Beer & Wine, Hospitals	4	199
64	Special On-Sale General Theater	9	90
67	On-Sale Wine, Bed & Breakfast	8	66
68	Portable Bar	72	220
69	Special On-Sale Beer and Wine Theatre	1	1,067
70	On-Sale General Restrictive Service	13	111
75	On-Sale General Brew-Pub	18	62
80	Special On-Sale General Bed and Breakfast Inn	2	28
83	On-Sale General Caterer's License	2	198
	TOTAL PERMANENT LICENSES ISSUED AND AVERAGE NUMBER OF DAYS FOR PROCCESSING ALL APPLICATIONS:	9,444	89*

* Common external factors impacting the number of days to issue a license include those related to premises construction, escrow delay and tax delinquency, compliance with local land-use requirements, protests against issuance, etc.

- **Number, by type, of temporary licenses, permits and authorizations issued:**

Temporary Permits & Interim Permits	2,373
Special Daily License Beer & Wine	10,340
Special Daily License General	13,797
Catering Authorizations	11,445

- **Number, by type, of permanent licenses denied:**

20	Off-Sale Beer & Wine	2
21	Off-Sale General	1
41	On-Sale Beer & Wine Eating Place	1
42	On-Sale Beer & Wine - Public Premises	2
47	On-Sale General Eating Place	1
	TOTAL PERMANENT LICENSES DENIED	7

- **Number, by type, of permanent licenses renewed:**

01	Beer Manufacturer	18
02	Winegrower	3,804
03	Brandy Manufacturer	28
04	Distilled Spirits Manufacturer	65
05	Distilled Spirits Manufacturer Agent	13
06	Still	93
07	Rectifier	20
09	Beer & Wine Importer	1,241
10	Beer & Wine Importers General	233

11	Brandy Importer	20
12	Distilled Spirits Importer	552
13	Distilled Spirits Importer's General	101
14	Public Warehouse	261
15	Customs Broker	29
16	Wine Broker	65
17	Beer & Wine Wholesaler	2,420
18	Distilled Spirits Wholesaler	603
19	Industrial Alcohol Dealer	3
20	Off-Sale Beer & Wine	13,503
21	Off-Sale General	12,827
22	Wine Blender	80
23	Small Beer Manufacturer	174
24	Distilled Spirits Rectifier's General	3
26	Out-of-State Beer Manufacturer Certificate	73
27	California Winegrowers Agent	2
28	Out-of-State Distilled Spirits Shippers Certificate	304
29	Winegrape Growers Storage License	42
40	On-Sale Beer	940
41	On-Sale Beer & Wine Eating Place	19,840
42	On-Sale Beer & Wine Public Premises	1,162
43	On-Sale Beer & Wine Train	1
44	On-Sale Beer & Wine Fishing Party Boat	40
45	On-Sale Beer & Wine Boat	32
47	On-Sale General Eating Place	13,240
48	On-Sale General Public Premises	2,819
49	On-Sale General Seasonal	2
50	On-Sale General Club	49
51	Club	811
52	Veterans' Club	319
53	On-Sale General Train	9
54	On-Sale General Boat	173
55	On-Sale General Airplane	33
56	On-Sale General Vessel, 1,000 Ton	29
57	Special On-Sale General	247
59	On-Sale Beer & Wine Seasonal	3
60	On-Sale Beer Seasonal	2
61	On-Sale Beer Public Premises	14
62	On-Sale General Dockside	15
63	On-Sale Special Beer & Wine, Hospitals	58
64	Special On-Sale General Theater	55
67	Bed and Breakfast Inn	123
68	Portable Bar	827
69	Special On-Sale Beer & Wine Theatre	3
70	On-Sale General Restrictive Service	200
75	On-Sale General Brew-Pub	88
76	On-Sale General Maritime Museum Association	1
80	Special On-Sale General Bed & Breakfast Inn	33
83	On-Sale General Caterer's License	4

TOTAL PERMANENT LICENSES RENEWED.....77,749

- **Number of penalties imposed for late renewal of permanent licenses:**.... 9,016

- **Total amount collected from late renewal penalties:**.....$1,706,200

- **Number, by type, of permanent licenses automatically canceled for non-payment of renewal fee:**

02	Winegrower	88
04	Distilled Spirits Manufacturer	2
06	Still	2
08	Wine Rectifier	1
10	Beer & Wine Importer's General	19
13	Distilled Spirits Importer's General	7
14	Public Warehouse	15
15	Customs Broker	4
16	Wine Broker	9
17	Beer & Wine Wholesaler	122
18	Distilled Spirits Wholesaler	35
19	Industrial Alcohol Dealer	2
20	Off-Sale Beer & Wine	231
21	Off-Sale General	27
22	Wine Blender	2
23	Small Beer Manufacturer	5
26	Out-of-State Beer Manufacturer Certificate	8
28	Out-of-State Distilled Spirits Shippers Certificate	40
40	On-Sale Beer	32
41	On-Sale Beer & Wine Eating Place	849
42	On-Sale Beer & Wine Public Premises	61
43	On-Sale Beer & Wine – Train	1
44	On-Sale Beer Fishing Party Boat	2
45	On-Sale Beer & Wine Boat	1
47	On-Sale General Eating Place	96
48	On-Sale General Public Premises	21
51	Club	3
54	On-Sale General Boat	3
59	On-Sale Beer & Wine Seasonal	1
60	On-Sale Beer Seasonal	1
67	Special On-Sale Wine Bed and Breakfast Inn	1
68	Portable Bar	4
75	On-Sale General Brew-Pub	5
80	Special On-Sale General Bed and Breakfast Inn	1
	TOTAL NUMBER CANCELED FOR NON-PAYMENT	1,701

C. ENFORCEMENT ACTIVITIES AND DISCIPLINARY MATTERS:

- **Enforcement investigations conducted (Department-generated):**.....3,687

- **Enforcement investigations conducted as response to reports received from allied law enforcement agencies:**.....1,462

- **Criminal arrests:**

	Underage Alcohol-related	Other	TOTAL
ABC	1,471	818	2,289
Joint (with allied law enf.)	390	465	855
TOTAL:	1,861	1,283	3,144

- **Formal warning letters issued to permanent license holders:**..... 457

- **Numbers of disciplinary actions filed against permanent licenses, by type of violation:**

Business Practices	51
Service of Alcohol to Obviously Intoxicated Persons	40
Sales of Alcohol to Minors	146
Sales of Alcohol to Minors through the Minor Decoy Program	1,011
Illegal Gambling	21
Disorderly Premises	67
Illegal Solicitation of Drinks	35
Sales or Service during Restricted Hours	26
Moral Turpitude	39
Condition Violations, Receiving Stolen Property, Hidden Ownership and Other Misc.	493
TOTAL	1,929

- **Number of fines imposed as a result of disciplinary action, by license type:**

02	Winegrower	7
10	Beer & Wine Importer's General	2
17	Beer & Wine Wholesaler	3
20	Off-Sale Beer & Wine	262
21	Off-Sale General	402
23	Small Beer Manufacturer	1
28	Out-Of-State Distilled Spirit Shipper	1
40	On-Sale Beer	5
41	On-Sale Beer & Wine Eating Place	78
42	On-Sale Beer & Wine Public Premise	19
47	On-Sale General Eating Place	131
48	On-Sale General Public Premises	50
51	Club	1
75	On-Sale General Brew-Pub	1
	TOTALS	963

Total amount of fines collected as a result of accusations: $2,114,864

- **Number of permanent licenses suspended as a result of disciplinary action, by license type:**

02	Winegrower	2
17	Beer & Wine Wholesaler	3
20	Off-Sale Beer & Wine	66
21	Off-Sale General	63
40	On-Sale Beer	6
41	On-Sale Beer & Wine Eating Place	48
42	On-Sale Beer & Wine Public Premises	11
47	On-Sale General Eating Place	47
48	On-Sale General Public Premises	27
52	Veterans' Club	4
60	On-Sale Beer Seasonal	1
61	On-Sale Beer Public Premises	1
	TOTAL SUSPENDED	279

- **Number of permanent licenses revoked as a result of disciplinary action, with revocation stayed, by license type:**

02	Winegrower	2
20	Off-Sale Beer & Wine	35
21	Off-Sale General	33
40	On-Sale Beer	8
41	On-Sale Beer & Wine Eating Place	21
42	On-Sale Beer & Wine Public Premises	18
47	On-Sale General Eating Place	24
48	On-Sale General Public Premises	21
52	Veterans Club	1
58	Caterer's Permit	1
81	Wine Sales Event Permit	1
	TOTAL REVOKED, WITH REVOCATION STAYED	165

- **Number of permanent licenses revoked as a result of disciplinary action, by license type:**

02	Winegrower	1
20	Off-Sale Beer & Wine	3
21	Off-Sale General	1
40	On-Sale Beer	5
41	On-Sale Beer & Wine Eating Place	3
47	On-Sale General Eating Place	2
48	On-Sale General Public Premises	1
	TOTAL NUMBER REVOKED FOR DISCIPLINARY ACTION	16

D. MISCELLANEOUS:

NUMBER OF CERTIFICATES ISSUED BY THE DEPARTMENT PURSUANT TO BUSINESS AND PROFESSIONS CODE SECTION 25503.42: 0