



AB 1060 (DE LA TORRE): ALCOHOLIC BEVERAGE LICENSES: SELF-SERVICE CHECKOUTS

(INTRODUCED: FEBRUARY 27, 2009)

MARCH 2010

Overview

- This bill seeks to accomplish three objectives:
 - Prohibit off sale licensees from selling alcoholic beverages using a self-service checkout system.
 - Classify as a misdemeanor any violation of the Alcoholic Beverage Control Act that is currently not punishable.
 - Impose a state-mandated local program that requires alcohol licensees under the Alcoholic Beverage Control Act to perform additional duties.
- The author and supporters of AB 1060 assert that self-service checkouts fail to safeguard against the purchase of alcohol by minors and customers who are in an advanced state of intoxication.
- The author also states that self-service checkout stations allow for increased theft of alcoholic beverages, thereby depriving the state of revenue.
- Enforcement of AB 1060 will cost “likely less than \$150,000” according to the Senate Appropriations Committee. This amount was estimated based upon current complaints received for stores selling alcohol through self-service checkouts. According to the Department of alcoholic Beverage Control, every 50 complaints at self-service checkout stores results in approximately 10-15 actual violations and costs associated with investigating these complaints total approximately \$100,000 statewide. These costs are paid out of the Alcoholic Beverage Control Fund.
- The State would not reimburse local governments for costs associated with meeting the State mandate.

Study Cited by the Author to Show Deficiencies

- This bill cites a study on the self-checkout system conducted by law students at the Community Economic Development Clinic at UCLA, as proof of the problems associated with selling alcohol through self-check out systems. The study concludes: “evidence of inadequate staffing, inconsistent monitoring, and technological failures documented in the study suggested that self-checkout machines may increase the risk of illegal purchases of alcohol, thereby harming public health.”

Supporters and Opponents

- Supporters: United Food and Commercial Workers Union, California Council on Alcohol Policy, Consumer Federation of California, City of Los Angeles, City of Marin Institute, Mothers Against Drunk Driving, Peace Officers Research Association of California, Pueblo Y Salud, Inc., Sutter/Yuba Friday Night Live – Youth Development Organization
- Opponents: California Grocers Association, Department of Finance, California Retailers Association, NCR

ADVANTAGES & DISADVANTAGES OF AB 1060:

- **Advantages:** AB 1060 requires each licensee in California to conduct face-to-face (as opposed to self-scanner) transactions for alcoholic sales before the alcohol leaves the store. Proponents of the bill assert that alcohol policies such as this one can prevent and reduce alcohol-related problems. 25 percent of all grocery store purchases are now made using self-checkout machines. Proponents also cite the California State Attorney General's "California Student Survey" which found that 36 percent of 9th grade and 11th grade students report alcohol is very easy to obtain. Almost half of all 9th grade students who report any drinking engage in binge drinking (consume five or more drinks in a row within the past 30 days). Proponents of the bill say the State has a responsibility to regulate the retail sale of alcohol and "as a society we must do everything we can to prevent youth access to alcohol." Proponents assert that the bill's face-to-face sale of alcohol requirement will reduce the number of minors who obtain alcohol, prevent already intoxicated consumers from further purchasing alcohol, and protect the State from losing tax revenues.
- **Disadvantages:** This bill aims to prevent alcohol from being obtained by minors, but opponents state that it does not address the main methods minors use to obtain alcohol. A study conducted by the U.S. Substance Abuse & Mental Health Services Administration National Survey on Drug Use & Health show that 22 percent of minors give money to someone of legal age to purchase the alcohol for them. If money is not exchanged, adults simply give the minors alcohol. 37.3 percent of minors say they get alcohol from an unrelated person 21 or older. Adult family members provide alcohol 19.5 percent of the time. Further, opponents of this bill cite a study conducted by the State of California's Department of Alcoholic Beverage Control. This study concludes that self-checkout systems "successfully prevented sales of alcohol to minors," thus nullifying the premise of this bill. Even when self-check out machines are used in place of face-to-face transactions, the burden to check identification remains on the person monitoring the self-check out machine. The UCLA study cited to link alcohol sales to minors to self-checkout machines notes that in many instances there was not adequate supervision at self-scanning locations. This bill does not address the staffing deficiencies of stores where alcohol has been sold to minors at self-checkout stations.

LEGISLATIVE HISTORY:

- Introduced in the State Assembly on February 27, 2009
- Assembly Committee on Governmental Organization, passed (12-4) on May 4, 2009
- Assembly Committee on Appropriations, passed (12-5) on May 13, 2009
- Assembly Floor, passed (50-27) on May 28, 2009
- Senate Committee on Governmental Organization, failed (Ayes, 6. Noes, 5) on July 8, 2009; Reconsideration granted.
- Senate Committee on Governmental Organization, passed (Ayes, 8. Noes, 0) on July 14, 2009
- Senate Committee on Appropriations, passed (7-4) on August 17, 2009
- **Current Bill Status: Inactive file – Two Year Bill on September 11, 2009**