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ALCOHOLIC BEVERAGE CONTROL

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It is not true that school districts are "impoverished." What keeps them from raising enough revenue in the traditional American way is low assessment levels and artificial bonding limits imposed on them by the Legislature at the behest of selfish holders of valuable land who do not want to pay their fair share for schools.

What school districts need is not state aid but removal of the artificial limitations imposed on them by the state. Friends of education should double their efforts to free the local communities

instead of turning to the state for easy money. Every genuine bond expert knows that the bonding capacity of the local communities that make up the state is as great as the bonding capacity of the whole state.

For local independence and lower taxes, vote NO on Proposition 2.

ROBERT TIDEMAN
566 Head Street, San Francisco 25,
Calif.

3 **ALCOHOLIC BEVERAGE CONTROL. Senate Constitutional Amendment No. 4.** Establishes Department of Alcoholic Beverage Control to administer liquor licensing laws in place of State Board of Equalization. Provides for Director of Alcoholic Beverage Control, appointed by Governor with Senate approval, subject to removal by Governor or by legislative majority. Makes offenses involving moral turpitude an additional ground for denial, suspension or revocation of liquor licenses. Establishes three-man board to hear appeals from department's decisions. Prohibits State manufacture or sale of liquor. Preserves consistent provisions of existing Alcoholic Beverage Control Act and existing license fee scale, until Legislature provides otherwise.

YES	
NO	

(For Full Text of Measure. See Page 5, Part II)

Analysis by the Legislative Counsel

This constitutional amendment would place the existing alcoholic beverage regulatory powers of the State Board of Equalization, other than those relating to excise taxes on alcoholic beverages, in a Department of Alcoholic Beverage Control to be administered by a Director of Alcoholic Beverage Control.

The director would be appointed by the Governor, subject to confirmation by a majority vote of all the members elected to the Senate, and would serve at the Governor's pleasure. He would also be removable from office by the Legislature for dereliction of duty, neglect, or incompetency, by a majority vote of all members elected to each house on a concurrent resolution introduced by at least five members of the Senate, or ten members of the Assembly, as joint authors. The director would be authorized to employ four persons exempt from civil service.

In addition to the existing constitutional ground for disciplinary action against a liquor licensee (that is, that the granting or continuance of the license would be contrary to public welfare or morals), this measure would authorize the department to deny, suspend, or revoke a license if the person seeking or holding a license has violated any law prohibiting conduct involving moral turpitude.

The measure would also provide for an Alcoholic Beverage Control Appeals Board consisting of three members who would be required to be, at the time originally appointed, from different counties. The members would be appointed and be removable from office in the same manner as the Director of Alcoholic Beverage Control.

Any person aggrieved by a decision of the department ordering any penalty assessment, or issuing, denying, transferring, suspending, or revoking any license, would be entitled to appeal to the board, and the board would review the decision, subject to limitations imposed by the Legislature. The review would be limited to specified questions of law, and the board would be prohibited from receiving any additional evidence. The board, if it reverses the department's decision, could direct a reconsideration of the matter and could direct the department to take further action as required by law; but the board could not limit or control the discretion vested by law in the department. Orders of the board would be subject to judicial review upon petition of the director or any party aggrieved thereby.

The measure would authorize the Legislature to enact laws implementing it and not inconsistent with it, but would prohibit the Legislature from constituting the State or any agency thereof a manufacturer or seller of intoxicating liquors. In accordance with the authorization, the Legislature has enacted Chapter 20 of the First Extraordinary Session, which implements the provisions of this constitutional amendment.

The measure would authorize the Legislature, rather than the State Board of Equalization, to change on-sale license fees.

The measure, if adopted, would become operative January 1, 1955.

Argument in Favor of Senate Constitutional Amendment No. 4

CALIFORNIA NEEDS LIQUOR REFORM. Proposition 3 is the basic and first step in the reorganization of liquor administration in California. A YES vote is needed to give the people of California the reform and change in liquor enforcement which practically everyone agrees is necessary and vital to good government.

Our liquor enforcement at present is not as effective and efficient as the people are entitled to expect. A change is necessary to remove the present abuses and to establish proper and honest enforcement of our liquor laws.

A YES vote will remedy this present ineffective situation in liquor enforcement by removing it from the State Board of Equalization and placing it in a new Department of Alcoholic Beverage Control. This department will be headed by the Director of Alcoholic Beverage Control who is to be appointed by the Governor in the same manner that other department heads are appointed. This means that the appointment of this Director will be subject to confirmation by a majority vote of all of the members elected to the Senate and he will serve at the pleasure of the Governor.

Proposition 3 also provides for an Alcoholic Beverage Control Appeals Board consisting of three members appointed by the Governor and subject to confirmation by a majority vote of all of the members elected to the Senate. Thus any citizen who has had his license revoked or suspended and who feels that the decision of the Director was not a fair one will have the right and opportunity to request that this Appeals Board review such decision. Of course, recourse to our courts is also available to either the aggrieved citizen or the Director. The members of the Appeals Board also serve at the pleasure of the Governor.

Furthermore Proposition 3 provides for the Legislature to act as a safeguard to insure proper administration of the liquor laws. The Director and the members of the Appeals Board may be removed from office by the Legislature for dereliction of duty or corruption or incompetency.

Thus it is obvious that there are sufficient checks on the Director of this new department to prevent him from becoming arbitrary and dictatorial. Proposition 3 is so designed that the Director cannot possibly become a czar or dictator.

Proposition 3 was overwhelmingly adopted by both the Assembly and Senate, with 195 Legislators enthusiastically voting for it and only 3 dissenting.

A YES vote is a vote for reform in the present liquor control which the Weinberger Committee on Alcoholic Beverage Control found so gravely deficient. That Committee unanimously endorses and recommends the adoption of Proposition 3.

A YES vote is the people's mandate to the Legislature to follow up this basic reform with other changes which will further improve liquor administration in California.

Vote YES so that liquor control may be separated from the Board of Equalization and placed in a new independent department.

Vote YES for honest and good liquor law enforcement and administration.

ARTHUR H. BREED, JR.
State Senator, Alameda County
CASPAR W. WEINBERGER
Assemblyman, San Francisco

Argument Against Senate Constitutional Amendment No. 4

This proposal represents an unsound, drastic change in the administration of our liquor law. It takes administration from the Board of Equalization, elected by and answerable to the people, and gives to an appointee of the Governor, "exclusive power" of administration and enforcement of California's Liquor Laws.

As this proposal now comes before the people, it is not well considered and should be defeated.

If it can be assumed that the contentions of the proponents of the amendment are true and that a new State department should be created, it ought to be democratic in its inception and the laws creating it should be practical and sensible with an assured purpose of improving liquor administration. This measure falls far short of these objectives.

It is not democratic because it takes from the people their right to select their own representatives in this field, and places control in one person appointed by the Governor. Who is to be the Director? What will his policies be? For these and other reasons liquor would become an issue in each gubernatorial campaign.

It is not practical and sensible because it is not based upon the experience and knowledge of people who know liquor law administration. It freezes into our Constitution an unworkable hodgepodge of theoretical ideas at great financial and social loss to California. Financial, because it will increase State expenditures more than

\$300,000.00 yearly. Social, because the good features of 20 years of enforcement by an independent agency will be lost by destroying the known to embark upon an unknown, unworkable procedure.

This measure is inherently wrong because it deprives the citizen of his American right of appeal. True, its language creates an appeals board but gives it no power to reverse improper decisions of the "Department." It states "the (appeals) board may direct the reconsideration of the matter * * * * * but the order (of the appeals board) shall not limit or control in any way the discretion vested by law in the department." This language makes the Director's decisions absolute, and appeals useless.

No other department head is subject to removal by legislative enactment, yet this Amendment allows the Legislature to remove the Director or any member of the Appeals Board. Does this create independence? Certainly not, for there will be the constant fear of removal should influential political groups be effected by the acts of the administrators. Thus falls the basic argument of the advocates of this Amendment who seek your support on the assumption that it will create an independent Liquor enforcement administration.

Let us oppose this unsound proposal with its *one man rule, useless appeals board*, high salaried deputies and additional employees who must establish a new system of cashiers, accounting, supply, personnel, tabulating divisions and new office rentals in sixty cities. Let's not set up another Governmental Agency when all of these services are now being furnished under our present law which is being efficiently administered and enforced.

VOTE NO and preserve our American System of Representative Government in California.

EARL D. DESMOND
State Senator, 19th Senatorial District

4 AID TO NEEDY AGED. Initiative Constitutional Amendment. Increases monthly aid payments to aged persons who meet eligibility requirements of Welfare and Institutions Code. Fixes \$100 (instead of \$80 heretofore fixed by law) as maximum monthly payments and permits Legislature to increase, but not decrease, this amount. Provides that payments shall be regarded as income of the recipient alone. Appropriates money for state share of Aged Aid.

YES	
NO	

(For Full Text of Measure, See Page 6, Part II)

Analysis by the Legislative Counsel

This initiative measure would add Article XXVIII to the Constitution and would increase the maximum amount of aged aid payable to persons eligible therefor under the Welfare and Institutions Code from \$80, as now fixed by statute, to \$100. It would authorize the Legislature to increase, but not to decrease, the \$100 amount.

It would provide that all money paid to a recipient of aged aid is intended to help him meet his individual needs and is not paid for the benefit of, or to be construed as income to, any other person.

This measure would appropriate from the State Treasury the sum which is necessary to pay the State share, as determined by law, of the cost of aged aid to each eligible aged person, after deducting Federal assistance payments and sums otherwise appropriated or made available by law for such aid. The amendment states that it is not intended to prevent the Legislature from determining the extent, if any, to which the counties of the State shall be required to participate in the cost of such aid.

If adopted by the people, this measure will become operative on the first day of the fourth month following the month in which it was adopted.

Argument in Favor of Initiative Proposition No. 4

VOTE YES—ON PROPOSITION 4.

Do you know that almost two-thirds of California's needy aged are women?

Do you know that the average payment (April 1954) to 271,810 recipients amounted to only \$69.04 a month—net \$50?

A typical recipient could be portrayed as follows:

1. A widow, aged 75 years, who is paying rent.
2. Has lived in California for the last 31 years.
3. Has an outside income of only \$18.96 a month, which is deducted.

A YES VOTE for AID TO NEEDY AGED will increase the average payment to \$87.15 a month, as any earnings, outside income, Old Age and Survivors Benefits, etc., would be deducted from the maximum grant of \$100.

CALIFORNIA DOES NOT PAY THE HIGHEST AGED AID. Connecticut is first, followed by Colorado, Massachusetts and New York, with California in fifth place. Also, according to the percentage of aged to the population of the individual states, California is in 23rd place, thus refuting opposition claims that old people are flocking here for pensions.

THE hardship forced on helpless oldsters is best illustrated by the present budget-of-needs allowances. In the two most vital categories, food and rent, these allowances are only \$28.50 and \$15 respectively, *per month*; creating widespread malnutrition and misery.

STATISTICS released by the State Social Welfare Department this year reveal that a recipient's average actual need totals \$101.02 a month; yet they can't get more than \$80. The Department estimates that increasing aid \$20 more a month will cost the State annually \$55,552,286; the 58 counties \$9,258,714; and that the Federal Government will increase its payments by an additional \$9,300,000.

THE recent increase in Federal Old Age and Survivors Insurance Benefits will reduce the above costs by more than \$3,000,000 a year, as 30 percent of the recipients are receiving these benefits, which are deducted from their old-age assistance.

BETWEEN July 1950 and July 1953, combined State and county costs declined by \$8,612,650; even though the maximum payments were increased during this period. As more and more people become eligible for Federal OASI Benefits, the State and county old-age assistance costs will continue to decline even though aid payments are increased.

THE opposition does not reveal the fact that the Federal Government now pays more than \$108,000,000 to California each year for

the interest coupons thereon, the place and method of payment of principal and interest thereon, the procedure for initiating, advertising and holding sales thereof, and the performance by the several state boards and state officers of their respective duties in connection therewith; and all other provisions, terms, and conditions relating to the bonds, shall be as provided by the Legislature.

The Legislature may appropriate money to be expended in addition to or in lieu of the money received from the sale of the bonds sold under the authority of this section. The money so appropriated shall be expended pursuant to subdivision (a) of this section. If the Legislature appropriates money in lieu of the money received from the sale of the bonds, the total amount of bonds required to be sold pursuant to this section shall be reduced by the amount so appropriated.

The Legislature shall pass all laws, general or special, necessary or convenient to carry into effect the provisions of this section. Such laws may provide for the allocation of funds to school districts pursuant

to this section by the State Allocations Board or a similar agency and in that event, notwithstanding any other provision of this Constitution, Members of the Legislature who are required to meet such board shall have equal rights and duties the nonlegislative members to vote and act upon matters pending before such board.

The Legislature shall require each district receiving an allocation of money from the sale of bonds pursuant to this section to repay such money to the State on such terms and in such amounts as may be within the ability of the district to repay.

The people of the State of California in adopting this section hereby declare that it is in the interests of the State and of the people thereof for the State to aid school districts of the State in providing necessary school sites and buildings for the pupils of the Public School System, such system being a matter of general concern inasmuch as the education of the children of the State is an obligation and function of the State.

3 **ALCOHOLIC BEVERAGE CONTROL. Senate Constitutional Amendment No. 4.** Establishes Department of Alcoholic Beverage Control to administer liquor licensing laws in place of State Board of Equalization. Provides for Director of Alcoholic Beverage Control, appointed by Governor with Senate approval, subject to removal by Governor or by legislative majority. Makes offenses involving moral turpitude an additional ground for denial, suspension or revocation of liquor licenses. Establishes three-man board to hear appeals from department's decisions. Prohibits State manufacture or sale of liquor. Preserves consistent provisions of existing Alcoholic Beverage Control Act and existing license fee scale, until Legislature provides otherwise.

YES	
NO	

(This proposed amendment expressly amends an existing section of the Constitution, therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKE-OUT TYPE**, and **NEW PROVISIONS** proposed to be **INSERTED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENT TO ARTICLE XX

Sec. 22. The State of California, subject to the internal revenue laws of the United States, shall have the exclusive right and power to license and regulate the manufacture, sale, purchase, possession and transportation of intoxicating liquor within the State, and subject to the laws of the United States regulating commerce between foreign nations and among the states shall have the exclusive right and power to regulate the importation into and exportation from the State, of intoxicating liquor. **In the exercise of these rights and powers, the Legislature shall not constitute the State or any agency thereof a manufacturer or seller of intoxicating liquors.**

Intoxicating liquors, other than beers, shall not be consumed, bought, sold, or otherwise disposed of for consumption on the premises, in any public saloon, public bar or public barroom within the State; provided, however, that subject to the aforesaid restriction, all intoxicating liquors may be kept and may be bought, sold, served, consumed, and otherwise disposed of in any bona fide hotel, restaurant, cafe, cafeteria, railroad dining or club car, passenger ship, or other public eating place, or in any bona fide club after such club has been lawfully operated for not less than one year.

The Director of Alcoholic Beverage Control shall be the head of the Department of Alcoholic Beverage Control, shall be appointed by the Governor subject to confirmation by a majority vote of all of the members elected to the Senate, and shall serve at the

pleasure of the Governor. The director may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove the director from office for dereliction of duty or corruption or incompetency. The director may appoint three persons who shall be exempt from civil service, in addition to the person he is authorized to appoint by Section 4 of Article XXIV.

The State Board of Equalization Department of Alcoholic Beverage Control shall have the exclusive power, except as herein provided and in accordance with laws enacted by the Legislature, to license the manufacture, importation and sale of intoxicating liquors in this State, and to collect license fees or occupation taxes on account thereof and. The department shall have the power, in its discretion, to deny, suspend or revoke any specific liquor license if it shall determine for good cause that the granting or continuance of such license would be contrary to public welfare or morals, or that a person seeking or holding a license has violated any law prohibiting conduct involving moral turpitude. It shall be unlawful for any person other than a licensee of said board department to manufacture, import or sell intoxicating liquors in this State.

The Alcoholic Beverage Control Appeals Board shall consist of three members appointed by the Governor, subject to confirmation by a majority vote of all of the members elected to the Senate. Each member, at the time of his initial appointment, shall be a resident of a different county from the one in which either of the other members resides. Two members of the board may be removed from office by the Governor, and the Legislature shall have the power, by a majority vote of all members elected to each house, to remove any member from office for dereliction of duty or corruption or incompetency.

When any person aggrieved thereby appeals from a decision of the department ordering any penalty assessment, issuing, denying, transferring, suspending or revoking any license for the manufacture, importation, or sale of intoxicating liquor, the board shall review the decision subject to such limitations as may be imposed by the Legislature. In such cases, the board shall not receive evidence in addition to that considered by the department. Review by the board of a decision of the department shall be limited to the questions whether the department has proceeded without or in excess of its jurisdiction, whether the department has proceeded in the manner required by law, whether the decision is supported by the findings, and whether the findings are supported by substantial evidence in the light of the whole record. In appeals where the board finds that there is relevant evidence which, in the exercise of reasonable diligence, could not have been produced or which was improperly excluded at the hearing before the department it may enter an order remanding the matter to the department for reconsideration in the light of such evidence. In all other appeals the board shall enter an order either affirming or reversing the decision of the department. When the order reverses the decision of the department, the board may direct the reconsideration of the matter in the light of its order and may direct the department to take such further action as is specially enjoined upon it by law, but the order shall not limit or control in any way the discretion vested by law in the department. Orders of the board shall be subject to judicial review upon petition of the director or any party aggrieved by such order.

A concurrent resolution for the removal of either director or any member of the board may be introduced in the Legislature only if five Members of the Senate, or ten Members of the Assembly, join as authors.

Until the Legislature shall otherwise provide, the privilege of keeping, buying, selling, serving, and otherwise disposing of intoxicating liquors in bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and in bona fide clubs after such

clubs have been lawfully operated for not less than one year, and the privilege of keeping, buying, selling, serving, and otherwise disposing of beers on any premises open to the general public shall be licensed and regulated under the applicable provisions of the so-called State Liquor Alcoholic Beverage Control Act, California Statutes 1933, Chapter 658, insofar as the same are not inconsistent with the provisions hereof, and excepting that the license fee to be charged bona fide hotels, restaurants, cafes, cafeterias, railroad dining or club cars, passenger ships, and other public eating places, and any bona fide clubs after such clubs have been lawfully operated for not less than one year, for the privilege of keeping, buying, selling, or otherwise disposing of intoxicating liquors other than beers and wines, shall be \$250.00 per year, or \$62.50 per quarter-annum for seasonal businesses the amounts prescribed as of the operative date hereof, subject to the power of the State Board of Equalization Legislature to change such fees.

The State Board of Equalization shall assess and collect such excise taxes as are or may be imposed by the Legislature on account of the manufacture, importation and sale of alcoholic beverages in this State.

The Legislature may authorize, subject to reasonable restrictions, the sale in retail stores of liquor contained in the original packages, where such liquor is not to be consumed on the premises where sold.

The Legislature shall provide for apportioning the amounts collected for license fees or occupation taxes under the provisions hereof between the State and the cities, counties and cities and counties of the State, in such manner as the Legislature may deem proper.

All constitutional provisions and laws inconsistent with the provisions hereof are hereby repealed.

The provisions of this section shall be self-executing, but nothing herein shall prohibit the Legislature from enacting laws implementing and not inconsistent with such provisions.

This amendment shall become operative on January 1, 1955.

4 AID TO NEEDY AGED. Initiative Constitutional Amendment. Increases monthly aid payments to aged persons who meet eligibility requirements of Welfare and Institutions Code. Fixes \$100 (instead of \$80 heretofore fixed by law) as maximum monthly payments and permits Legislature to increase, but not decrease, this amount. Provides that payments shall be regarded as income of the recipient alone. Appropriates money for state share of Aged Aid.

YES	
NO	

Sufficient qualified electors of the State of California have presented to the Secretary of State a petition and request that the proposed amendment to the Constitution, by adding Article XXVIII thereto, hereinafter set forth, be submitted to the people of the State of California for their approval or rejection at the next ensuing general election or as provided by law. The proposed amendment to the Constitution is as follows:

(This proposed amendment does not expressly amend any existing article of the Constitution but adds a new article thereto; therefore, the provisions hereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

PROPOSED AMENDMENT TO THE CONSTITUTION

Article XXVIII. Aid to Aged Persons

Section 1. The amount of aid to which any applicant for aid to the aged who is eligible therefor

under the Welfare and Institutions Code shall be entitled shall be, when added to the income (including the value of currently used resources, but excepting casual income and inconsequential resources) of the applicant from all other sources, one hundred dollars (\$100) per month. If, however, in any case it is found that the actual need of an applicant exceeds one hundred dollars (\$100) per month, such applicant shall be entitled to receive aid in an amount, not to exceed one hundred dollars (\$100) per month, which when added to his income (including the value of currently used resources, but excepting casual income and inconsequential resources) from all other sources, shall equal his actual need. All money paid to a recipient of aid under this article is intended to help him meet his individual needs and is not paid for the benefit of, or to be construed as income to, any other person.

Sec. 2. The Legislature shall have power to pro-