

1956

## ALCOHOLIC BEVERAGE ESTABLISHMENTS

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operating requirements in leases issued heretofore, pursuant to COMPETITIVE BIDDING, could be abrogated . . . existing rules and regulations could be curtailed, ALL WITH AN ADVERSE EFFECT ON LEASE ROYALTY REVENUES PAID TO THE STATE" . . .

These royalties can exceed FOUR BILLION DOLLARS in the next twenty years—if the oil is produced.

THE STAFF RECOMMENDED THAT THE COMMISSION OPPOSE PROPOSITION NO. 4. Paid Propagandists tell you "four billion barrels more oil" and "twelve billion dollars more income" will result from its passage. They cannot document these false claims—which explains why they by-passed the Legislature.

CALIFORNIA LEADS THE NATION IN OIL CONSERVATION LAW.

Attorney General Brown has the power to prosecute wasteful recovery practices—and has done so. Proposition 4 would repeal this law.

Ninety percent of the oil industry is against this Act, including the Association of Independent Oil Producers and the overwhelming majority of members of San Joaquin Valley Oil Producers Association, and Oil Producers Agency.

Compulsory "unitization" will force independents to sell out or go bankrupt.

The American Legion, Veterans of Foreign Wars, and Disabled American Veterans, in State Conventions, rejected resolutions favoring Proposition 4; the Military Order of the Purple Heart passed a Resolution urging its DEFEAT.

PROPOSITION NO. 4 IS DEADLY TO THE PUBLIC INTEREST. HELP US DEFEAT IT BY VOTING NO.

CALIFORNIA COMMITTEE OPPOSED TO OIL MONOPOLY

By W. H. GEIS, Chairman, Los Angeles

Argument Against Initiative Proposition No. 4

By shutting in California oil production, Proposition No. 4 would force this nation to rely to an increasingly dangerous extent on foreign oil. That would be harmful to national security. We must rely upon an expanding domestic oil producing industry to provide mobility for the fleet, land armies and air arm in a national emergency. Proposition No. 4 would be harmful to that vital defense purpose. This measure should be defeated.

JOSEPH F. TAYLOR  
Rear Admiral, U.S.N. Ret., Los Angeles

**ALCOHOLIC BEVERAGE ESTABLISHMENTS. Senate Constitutional Amendment**

**5**

**No. 2.** Eliminates present provision permitting service of intoxicating liquor only in bona fide hotels, restaurants and other public eating places. Authorizes legislation to permit service of alcoholic beverages in public premises in which food need not be served; restricts presence of minors in such establishments. Incorporates existing ban on service or sale of alcoholic beverages to persons under 21.

<b>YES</b>	
<b>NO</b>	

(For Full Text of Measure, See Page 35, Part II)

**Analysis by the Legislative Counsel**

This amendment to Section 22 of Article XX of the Constitution would repeal the present constitutional prohibition against the sale of intoxicating liquor for consumption in public premises which are not bona fide public eating places.

The measure specifically authorizes the Legislature to provide for the issuance of licenses for the four following types of premises, in which only the alcoholic beverages specified in the licenses may be sold and served for consumption upon the premises:

(1) Bona fide public eating places, as defined by the Legislature. The Legislature has already defined this term in a law enacted to carry out the provisions of this measure (Stats. 1955, Ch. 1779). Both the constitutional amendment and the law would become operative on January 1, 1957, if the constitutional amendment is adopted.

(2) Public premises in which food shall not be sold or served as it would be in a bona fide public eating place. The Legislature, however, is authorized to permit the sale or service of food products incidental to the sale of alcoholic beverages in such premises. No person under the age of 21 years may be permitted to enter and remain in such public premises without lawful business therein.

(3) Public premises for the sale and service of

Railroad dining or club cars, passenger ships, common carriers by air, and bona fide clubs after such clubs have been lawfully operated for

not less than one year, under such conditions as the Legislature may impose.

The measure expressly prohibits the sale, furnishing, giving, or causing to be sold, furnished, or given away, of alcoholic beverages to any person under the age of 21 years, and prohibits the purchase of alcoholic beverages by any person under the age of 21 years. These prohibitions have been in force as statutory provisions for many years.

The measure also specifically authorizes the Legislature to provide for the issuance of all types of licenses necessary for the manufacture, sale, purchase, possession, and transportation of alcoholic beverages.

**Argument in Favor of Senate Constitutional Amendment No. 2**

The present constitutional provision relating to the control of the sale of alcoholic beverages for consumption on the premises only permits its sale and consumption in a bona fide hotel, restaurant, cafe, cafeteria, railroad dining or club car; passenger ship, or other public eating place, or in clubs as defined in the Constitution.

Such provision does not permit the total exclusion of minors, (persons under the age of 21 years) from entering and remaining on the licensed premises since they have a perfect right to be at one of the defined places and it is common to see a minor in such place accompanied by his elders. This has created a difficult problem of enforcement since

the Legislature cannot pass a law prohibiting minors from entering and remaining upon such licensed premises.

The legislative committee whose findings were responsible for a reform in alcoholic beverage control, found that the requirement that food be served in bars is undesirable and one of the reasons for this conclusion was that it encourages or provides an excuse for minors to frequent the premises.

Senate Constitutional Amendment No. 2 requires the Legislature to provide for the issuance of, among other licenses, on-sale licenses for bona fide public eating places and for public premises in which food may not be served and sold to the public, except incidentally to the sale or service of alcoholic beverages as permitted by the Legislature, and in which premises persons under 21 may not be permitted to enter and remain without lawful business therein.

The enactment of this constitutional provision by the people would permit the Legislature to provide for two types of licenses, one type for restaurants which could be so defined as to leave no question as to what is a bona fide eating place; the other type of license would be for a premise where no food is sold and from which the minor could be absolutely excluded.

The passage of Proposition No. 5 would give the Legislature clear and unqualified power to define a bona fide public eating place so the Department of Alcoholic Beverage Control could insist that the licensee actually operate such a premise. It would also eliminate the present hypocritical situation concerning the definition of a bona fide eating place. After the reorganization of the Alcoholic Beverage Control Laws, much thought was given by the new officials of the Department of Alcoholic Beverage Control and by members of the Legislature to this constitutional amendment, and it is now supported by the Department and has been given practically unanimous support of the Legislature.

EARL D. DESMOND  
State Senator, Sacramento County  
J. HOWARD WILLIAMS  
State Senator, Tulare County

**Argument Against Senate Constitutional Amendment No. 2**

November 6, 1934, the voters of the State of California approved the return of the sale of alcoholic beverages to the State on the basis liquor to be sold for consumption on the premises should be sold only by bona fide restaurants and hotels. The citizens interested in the return of the sale of alcoholic beverages to the State of California at that time assured the voters that the old time public saloon, public bar or barroom would never return.

Proposition No. 5 provides for the elimination of the provision in the present law requiring that food be served in connection with the "on sale" of alcoholic beverages, thus bringing back the old fashioned saloon to the State of California. Further, as a "gimmick," it states that "no person under the age of 21 years shall be permitted to enter and remain in any such premises without lawful business therein."

For at least 45 years, every California campaign relating to intoxicating liquor, has stressed the need of strict control. Those who urged the ratification of the 21st Amendment, repealing national prohibition, including the liquor interests, promised a reduction in liquor consumption and drunkenness, through the restrictions they promised to impose. Now we are asked, by our vote, to bring back the identical chaotic situation that existed prior to the enactment of prohibition. It is a backward step in liquor control. If it carries, look for a great increase in drunkenness, with its attendant saloon disorders.

In 1954 the people of California by their vote, made a major change in the Alcoholic Beverage Control laws, and established a new type of administration. That change brought to California a new alcoholic beverage control administration. It is able and willing to enforce the law. The people should give it a reasonable time to function before again making a major change. Vote "NO" on Proposition No. 5 and kill the return of the old fashioned saloon and bar.

JOHN A. MURDY, JR.  
State Senator, Thirty-fifth Senatorial District

**6 CHURCH EXEMPTION: PARKING LOTS. Assembly Constitutional Amendment No. 3.** Provides that tax exemption for churches shall, until Legislature provides otherwise, extend to adjacent or non-adjacent property necessarily and reasonably needed for and used exclusively for church parking lot, if such parking lot is required by law and has not been rented or used commercially during preceding year.

YES	
NO	

(For Full Text of Measure, See Page 37, Part II)

**Analysis by the Legislative Counsel**

This constitutional amendment would amend Section 13 of Article XIII of the Constitution, and would extend the existing church property tax exemption to real property used for parking automobiles of persons while attending religious services in the church.

The following requirements must be met to obtain the exemption:

(a) The property must be owned by the owner of a building used solely and exclusively for religious purposes.

(b) The property must be required by law to be made available for the parking of the automobiles of persons who attend services in the church.

(c) The property must be necessarily and reasonably required, and exclusively used, for such parking.

(d) The property must not during the preceding year have been rented or used for any commercial purpose.

The measure expressly provides that the real property need not be contiguous to land on which the church building is located. It has heretofore been held that parking space immediately adjacent to a church and under the circumstances required for its convenient use and occupation is entirely to be included in the church exemption (*Imperial Presbyterian Church v. Payne* (1928), 90 Cal. App. 176). Hence, the practical effect of this

nor to use the subsurface thereof down to a depth of 200 feet below the surface thereof.

Where said land aggregating less than one acre is surrounded by lands which are not subject to a single oil and gas leasehold but is surrounded by lands which are subject to two or more separate oil and gas leaseholds, one or more of which oil or gas leaseholds aggregates one acre or more, then in such event the said land aggregating less than one acre shall, as herein provided, be included within and be joined to that oil and gas leasehold aggregating one acre or more as to which said parcel of land aggregating less than one acre has the longest common boundary.

In determining the contiguity of any parcels of land for the purposes hereof, no road, street or alley shall be deemed to interrupt such contiguity.

**SECTION 20. FURTHER AMENDMENTS.**

The following provisions of this Act may be amended by the Legislature in its discretion:

- Subsections C and D of Section 4;
- Section 9;
- Section 12;
- Section 14;

**Subsection B of Section 15;**  
**Section 19;**

Those portions of **Subsection A of Section 3** hereof, and of **Subsection G of Section 5** expressly permitting amendments by Legislature.

The power to amend or repeal any other provisions of this Act is reserved to the People by a vote of the electors.

**SECTION 21. NAME OF ACT.**

This Act shall be called the Oil and Gas Conservation Act.

**SECTION 22. CONSTITUTIONALITY.**

If any section, subsection, sentence or clause of this Act is adjudged to be unconstitutional or invalid, such adjudication shall not affect the validity of the remaining portion of this Act. It is hereby declared that this Act would have been passed, and each division, section, subsection, sentence or clause thereof, irrespective of the fact that any one or more sections, subsections, sentences or clauses might be adjudged to be unconstitutional, or for any other reason invalid.

<b>5</b>	<b>ALCOHOLIC BEVERAGE ESTABLISHMENTS. Senate Constitutional Amendment No. 2.</b> Eliminates present provision permitting service of intoxicating liquor only in bona fide hotels, restaurants and other public eating places. Authorizes legislation to permit service of alcoholic beverages in public premises in which food need not be served; restricts presence of minors in such establishments. Incorporates existing ban on service or sale of alcoholic beverages to persons under 21.	<b>YES</b>	
		<b>NO</b>	

(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~~ **alcoholic beverages** 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~~ **alcoholic beverages**. 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~~ **alcoholic beverages**.

~~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.~~

All alcoholic beverages may be bought, sold, served, consumed and otherwise disposed of in premises which shall be licensed as provided by the Legislature. In providing for the licensing of premises, the Legislature may provide for the issuance of, among other licenses, licenses for the following types of premises where the alcoholic beverages specified in the licenses may be sold and served for consumption upon the premises:

- (a) For bona fide public eating places, as defined by the Legislature.
- (b) For public premises in which food shall not be sold or served as in a bona fide public eating place, but upon which premises the Legislature may permit the sale or service of food products incidental to the sale and service of alcoholic beverages. No person under the age of 21 years shall be permitted to enter and remain in any such premises without lawful business therein.
- (c) For public premises for the sale and service of beers alone.
- (d) Under such conditions as the Legislature may impose, for railroad dining or club cars, passenger ships, common carriers by air, and bona fide clubs after such clubs have been lawfully operated for not less than one year.

The sale, furnishing, giving, or causing to sold, furnished, or giving away of any alcoholic beverage to any person under the age of 21 years

is hereby prohibited, and no person shall sell, furnish, give, or cause to be sold, furnished, or given away any alcoholic beverage to any person under the age of 21 years, and no person under age of 21 years shall purchase any alcoholic rage.

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 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~~ alcoholic beverages in this State, and to collect license fees or occupation taxes on account thereof. The department shall have the power, in its discretion, to deny, suspend or revoke any specific ~~liquor~~ alcoholic beverages 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 ~~it~~ involving moral turpitude. It shall be unlawful for any person other than a licensee of said department to manufacture, import or sell ~~intoxicating liquors~~ alcoholic beverages 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. The 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~~ alcoholic beverages, 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 the director or any member of the board may be introduced in the Legislature only if five Members of the Senate, or 10 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~~ alcoholic beverages 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 Alcoholic Beverage Control Act, 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~~ alcoholic beverages, shall be the amounts prescribed as of the operative date hereof, subject to the power of the 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~~ alcoholic beverages contained in the original packages, where such ~~liquor~~ alcoholic beverages are not to be consumed on the premises where sold; and may provide for the issuance of all types of licenses necessary to carry on the activities referred to in the first paragraph of this section, including, but not limited to, licenses necessary for the manufacture, production, processing, importation, exportation, transportation,

wholesaling, distribution, and sale of any and all kinds of alcoholic beverages.

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 Legislature from enacting laws implementing not inconsistent with such provisions.

This amendment shall become operative on January 1, 1955 1957.

<b>6</b>	<b>CHURCH EXEMPTION: PARKING LOTS.</b> Assembly Constitutional Amendment No. 3. Provides that tax exemption for churches shall, until Legislature provides otherwise, extend to adjacent or non-adjacent property necessarily and reasonably needed for and used exclusively for church parking lot, if such parking lot is required by law and has not been rented or used commercially during preceding year.	<b>YES</b>	
		<b>NO</b>	

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

PROPOSED AMENDMENT TO ARTICLE XIII

Sec. 13. All buildings and equipment, and so much of the real property on which they are situated as may be required for the convenient use and occupation of said buildings, when the same are used solely and exclusively for religious worship, and any building and its equipment in the course of erection, together with the land on which it is located as may be required for the convenient use and occupation of the building, if such building, equipment and land are intended to be used solely and exclusively for religious

worship, and, until the Legislature shall otherwise provide by law, that real property owned by the owner of the building which the owner is required by law to make available for, and which is necessarily and reasonably required and exclusively used for the parking of the automobiles of persons while attending or engaged in religious worship in said building whether or not said real property is contiguous to land on which said building is located, and which real property has not been rented or used for any commercial purpose at any other time during the preceding year, shall be free from taxation; provided, that no building so used or, if in the course of erection, intended to be so used, its equipment or the land on which it is located, which may be rented for religious purposes and rent received by the owner thereof shall be exempt from taxation.

<b>7</b>	<b>STATE LEGISLATURE.</b> Assembly Constitutional Amendment No. 68. Changes name of the Assembly of California Legislature to House of Representatives.	<b>YES</b>	
		<b>NO</b>	

(This proposed amendment expressly amends existing sections of the Constitution, and adds a new section thereto; therefore, **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKE-OUT TYPE**, and **NEW PROVISIONS** proposed to be **INSERTED** or **ADDED** are printed in **BLACK-FACED TYPE**.)

PROPOSED AMENDMENTS TO ARTICLE IV

First: That the first paragraph of Section 1 of Article IV be amended to read:

Section 1. The legislative power of this State shall be vested in a Senate and ~~Assembly~~ **House of Representatives** which shall be designated "the Legislature of the State of California," but the people reserve to themselves the power to propose laws and amendments to the Constitution, and to adopt or reject the same, at the polls independent of the Legislature, and also reserve the power, at their own option, to so adopt or reject any act, or section or part of any act, passed by the Legislature. The enacting clause of every law shall be "The people of the State of California do enact as follows:"

Second: That Section 3 of Article IV be amended to read:

Sec. 3. ~~Members of the Assembly~~ **Representatives** shall be elected in the year 1879, at the time

and in the manner now provided by law. The second election of ~~members of the Assembly~~ **Representatives** after the adoption of this Constitution shall be on the first Tuesday after the first Monday in November, 1880. Thereafter, ~~members of the Assembly~~ **Representatives** shall be chosen biennially, and their term of office shall be two years; and each election shall be on the first Tuesday after the first Monday in November, unless otherwise ordered by the Legislature.

Third: That Section 4 of Article IV be amended to read:

Sec. 4. Senators shall be chosen for the term of four years, at the same time and places as ~~members of the Assembly~~ **Representatives**, and no person shall be a Member of the Senate or ~~Assembly~~ **House of Representatives** who has not been a citizen and inhabitant of the State three years, and of the district for which he shall be chosen one year, next before his election.

Fourth: That Section 5 of Article IV be amended to read:

Sec. 5. The Senate shall consist of 40 members, and the ~~Assembly~~ **House of Representatives** of 80 members, to be elected by districts, numbered as hereinafter provided. The seats of the 20