

Date of Hearing: July 1, 2019

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 543 (Pan) – As Amended March 27, 2019

**SENATE VOTE:** 37-0

**SUBJECT:** Pedicabs

**SUMMARY:** Removes the sunset date on existing law authorizing individuals on a pedicab, as defined, to consume alcohol on the pedicab under certain conditions.

**EXISTING LAW:**

- 1) Defines a pedicab to include a four-wheeled device that is primarily or exclusively pedal-powered, has a seating capacity for eight or more passengers, cannot travel in excess of 15 miles per hour, and is used for transporting passengers for hire.
- 2) Specifies certain equipment requirements related to this category of pedicabs including seatbelts for all passengers, seat backs, brakes, reflectors, headlights, and grab rails.
- 3) Specifies that all operating pedicabs must meet the abovementioned requirements by January 1, 2017, in order to remain in operation.
- 4) Prohibits a pedicab, as defined, from having a seating capacity of more than 15 passengers.
- 5) Requires a pedicab, as defined, to be authorized by a local ordinance or resolution to operate within the applicable local jurisdiction.
- 6) Requires a pedicab, as defined, to have proof of financial responsibility, as specified.
- 7) Requires the pedicab operator to be at least 21 years of age and hold a valid driver's license.
- 8) Authorizes a local jurisdiction to allow passengers to consume alcohol on the pedicab until January 1, 2020.
- 9) Provides that the pedicab services that have been authorized to allow passengers to consume alcohol are required to:
  - a) Provide an on-board safety monitor who is at least 21 years of age whenever alcohol is being consumed;
  - b) Have both the operator and safety monitor complete either the Licensee Education on Alcohol and Drugs program implemented by the Department of Alcoholic Beverage Control (ABC) or a training course utilizing the curriculum recommended by the Responsible Beverage Service Advisory Board; and,
  - c) Permit only passengers that are 21 years of age or older if alcohol is being consumed.

- 10) Prohibits the safety monitor from supervising passengers while being under the influence of any alcoholic beverage and be subject to certain violations, as specified.
- 11) Provides that a license or permit issued by the Department of ABC is not required to be obtained by a pedicab, as defined, if the pedicab operator or its employees do not sell, serve, or furnish any alcoholic beverage to any passenger, as specified.
- 12) Provides that any person possessing any can, bottle, or other receptacle containing any alcoholic beverage that has been opened, or a seal broken, or the contents of which have been partially removed, in any city, county, or city and county owned park or other city, county, or city and county owned public place, or any recreation and park district, or any regional park or open-space district shall be guilty of an infraction if the city, county, or city and county has enacted an ordinance that prohibits the possession of those containers in those areas or the consumption of alcoholic beverages in those areas.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

Minor ongoing costs to the Department of ABC to continue to provide specified training for pedicab operators and safety monitors in local jurisdictions that allow alcohol to be consumed by passengers (Alcohol Beverage Control Fund). Non-reimbursable state mandated costs for local enforcement related to the permanent extension of a crime for violating the bill's provisions (local funds).

**COMMENTS:** Beer tourism has been on the rise in California. According to the California Craft Brewers Association, as of January 2019, there are more than 980 craft breweries in operation across the state, more than any other state in the nation. Cities like Sacramento and San Diego have seen a surge in craft breweries and beer tourism. More than 50 local breweries operate in and around Sacramento, and 155 craft breweries are located in San Diego County.

The Onion, a satirical magazine founded in 1988, once ran a headline that read "Study: Americans Get Majority of Exercise While Drunk." Some companies in California have managed to make this satire a reality, combining beer tourism with exercise in vehicles commonly referred to as beer bikes or party bikes. In California, these devices have been classified as pedicabs. The party bike was invented in the late 1990s in the Netherlands by Henk and Zwiervan Van Lar to help promote a local pub at a parade. The devices were introduced to the United States in 2007 in Minneapolis, Minnesota. According to Pedal Pub, the first American company to operate these bikes, the party bikes can be found in 40 cities across the United States.

These 20-foot-long, 1,500 pound bikes are capable of reaching speeds of five miles per hour and accommodate up to 12 riders on regular bicycle seats around a wooden bar. According to the New York Times, "Exactly why beer bikes carry such appeal is still something of a mystery. There is the beer, of course, which for some is reason enough. For many, it is the combination of partying and pedaling, which accomplishes a special kind of bonding."

These bikes have been controversial in some communities. Munich banned them in 2012, citing that "the bikes blocked the old city's narrow streets, causing traffic jams, and that the low, off-key singing was annoying." Even the spokeswoman for the Amsterdam Tourism Board, where

the bikes were first introduced, has said “I wouldn’t be caught dead on one. It’s not something that we promote.”

While these bikes began operating in California prior to 2015, riders were prohibited from drinking on them because of the state’s open container laws. SB 530 (Pan), Chapter 496, Statutes of 2015, authorized individuals to drink on the bikes so long as they were authorized by local ordinance or resolution and met certain safety conditions.

Despite some of their unpopularity abroad, the devices have been popular in Sacramento. The Sacramento City Council approved their ordinance permitting individuals to drink on board via a consent vote. No public comment was made against the ordinance.

Fresno also authorizes consumers to drink on these bikes. San Diego, Santa Barbara, Palm Springs and Healdsburg have authorized the bikes on their streets, but have not extended the right to passengers to consume alcohol.

The provisions of SB 530 authorizing local governments to permit the consumption of alcohol on these bikes sunset in 2020. SB 530 created a requirement for the operators of these bikes to annually report to the California Highway Patrol any accidents caused or experienced by the bikes. As of the writing of this analysis, no such accidents were reported. This bill would eliminate the sunset date and make the provisions of SB 530 permanent.

According to the author, “In 2015, the Legislature unanimously passed SB 530 that established a uniform set of standard of best practices and safety specifications to operate pedal-powered quadricycles in California. The pedal-powered quadricycles industry in the state has proven to be safe and responsible since the passage of the law. According to the California Highway Patrol, no accidents have been reported since the law went into effect. SB 530 is due to sunset on January 1, 2020 and SB 543 aims to delete the sunset date so these innovative small businesses can continue to flourish while operating safely on city streets.”

The Sacramento Police Department, writing in support of this bill, states that “Since the passage of the law, Sacramento is seeing small businesses expanding, supporting local businesses through their team building events, food, wine, and sightseeing tours. The industry has proven to be safe and responsible. SB 543 would ensure these businesses can continue to flourish while operating safely on city streets.”

*Double referral:* This bill will be referred to the Assembly Governmental Organization Committee should it pass out of this committee.

*Previous legislation:* SB 530 (Pan) Chapter 496, Statutes of 2015, established a new definition for a pedicab and placed safety requirements on them, required local government authorization for their use on public roads, and permitted local governments to allow the consumption of alcohol on the device under certain circumstances until January 1, 2020.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Travel Association  
Downtown Sacramento Partnership  
City of Sacramento Police Department  
Sacramento County Supervisor Phil Serna

**Opposition**

None on file

**Analysis Prepared by:** David Sforza / TRANS. / (916) 319-2093