

## **NOTICE OF PROPOSED RULEMAKING ACTION**

### **TITLE 4. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL**

#### **Proposed Amendments to Section 61 – Administrative Withdrawal of an Application and Disbursement of Refundable Application Fees**

The Department of Alcoholic Beverage Control (ABC) proposes to amend Section 61 of the California Code of Regulations to clarify the administrative withdrawal of alcoholic beverage license and permit applications and to establish procedures for refunding applicable application fees, following consideration of all comments, objections, and recommendations received regarding the proposed action.

#### **PUBLIC HEARING**

ABC has not scheduled a public hearing on this proposed action. However, the ABC will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

#### **WRITTEN COMMENT PERIOD**

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed amendments to section 61 to the Department of Alcoholic Beverage Control. Comments may also be submitted by email to **RPU@abc.ca.gov**. The written comment period begins on June 12, 2026, and closes at 12:00 p.m. on July 28, 2026. The Department will only consider comments received at ABC Headquarters by that time. Submit comments to:

Law and Policy Unit- Administrative Withdrawal  
Department of Alcoholic Beverage Control  
3927 Lennane Drive, Suite 100  
Sacramento, CA 95834

#### **AUTHORITY**

Business and Professions Code Sections 23320, 23958, and 25750 Business and Professions Code; Section 22, Article XX, California Constitution.

#### **REFERENCE**

Business and Professions Code Sections 23054, 23320, 23958, 23959, 23961, 23985, 24044, 24045, 24045.5, 24048, 24070, 24072 and 25761 Business and Professions Code

#### **INFORMATIVE DIGEST**

## Summary of Existing Laws and Effect of Proposed Action

Existing law authorizes the Department of Alcoholic Beverage Control (ABC) to administer and enforce the licensing provisions of the Alcoholic Beverage Control Act, including the processing of applications for new licenses, permits, and license transfers. Current statutes and regulations do not expressly define when an application is considered abandoned, nor do they establish uniform procedures for administratively withdrawing such applications or for refundable application fees when an applicant ceases participation in the licensing process.

The proposed regulation establishes clear criteria for determining when an alcoholic beverage license or permit application is deemed abandoned, including failure to respond to a formal written request from ABC within sixty calendar days or the revocation or cancellation of a license that is pending transfer. The proposal authorizes ABC to administratively withdraw abandoned applications and requires the Department to notify former applicants of any refundable application fees, the process for requesting a refund, and applicable deadlines.

The proposed regulation also creates procedures for handling refund checks that remain uncashed for one calendar year, including cancellation of the check and issuance of a new written notice to the former applicant. The regulation further limits ABC to issuing only one replacement refund check, and any additional checks will not be automatically reissued. Former applicants may still request the issuance of a new check at any time provided that the funds have not yet been deemed abandoned. Additionally, the regulation provides that refundable application fees not requested within sixty calendar days of ABC's written notice will be deemed abandoned and revert to the ABC fund balance. The regulation clarifies when refund requests are considered received and standardizes communication requirements by directing notices to the contact information provided on the original application.

## Anticipated Benefits

ABC anticipates several benefits from the proposed regulation. Establishing clear standards for determining when an application is abandoned will improve consistency and transparency in the licensing process. The procedures for notifying former applicants of refundable fees and refund deadlines are expected to reduce confusion, minimize disputes, and ensure that applicants receive timely information about their refund rights.

The regulation is also expected to enhance administrative efficiency by reducing the number of inactive or dormant applications that remain open indefinitely. Clear timelines for refund requests and the reversion of unclaimed funds will support more accurate

accounting and reduce the administrative burden associated with managing outstanding refunds. Overall, the proposed regulation promotes fairness, clarity, and operational efficiency in ABC's handling of withdrawn or abandoned applications.

#### Evaluation of Inconsistency or Incompatibility with Existing Regulations

ABC has evaluated the proposed regulation and determined that it is not inconsistent or incompatible with existing state regulations. No other regulation currently establishes criteria for administrative withdrawal of alcoholic beverage license or permit applications or sets forth procedures for refunding refundable application fees. The proposed regulation fills a gap in existing regulatory guidance without conflicting with other provisions of state law.

#### **DISCLOSURES REGARDING THE PROPOSED ACTION**

ABC has made the following initial determinations:

Mandate on local agencies or school districts: None.

Cost or savings to any state agency: ABC does not anticipate any additional costs or savings for state agencies. The proposed regulation primarily clarifies existing administrative practices related to abandoned applications and refund processing. Although these changes are expected to enhance administrative efficiency by reducing inactive applications and outstanding refunds, they are not expected to create any measurable fiscal impact for state agencies. ABC may absorb a small amount of abandoned fees however, this amount is expected to be minimal, as the intent is to return all eligible funds to the applicants who submitted them. Any abandoned funds that are not returned will be deposited into the ABC fund. While ABC does not anticipate these additions to be a significant amount, if abandoned funds rise to a sizable level over time, they could help to offset operational costs and potentially allow ABC to delay future fee increases.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states: ABC has determined that this proposal will not have a significant adverse economic impact on businesses. The regulation establishes administrative procedures for handling abandoned

applications and refund requests and does not impose new operational or financial requirements on licensees or applicants.

Significant effect on housing costs: None.

Cost impacts on a representative private person or business: ABC is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed regulation. The regulation affects only applicants who abandon their applications and provides a clear process for requesting refunds.

### Results of the Economic Impact Assessment

ABC has assessed the potential economic impacts of the proposed regulation and does not anticipate that it will have a significant effect on the creation or elimination of jobs within the state. The regulation is administrative in nature and does not alter the substantive requirements for obtaining an alcoholic beverage license or permit.

ABC does not anticipate that the proposed regulation will significantly affect the number of businesses operating in California or the ability of existing businesses to expand. The regulation is expected to improve administrative efficiency by reducing the number of dormant applications and by establishing predictable timelines for refund processing, but these improvements do not create economic effects of a magnitude that would influence statewide employment or business formation.

ABC also does not anticipate that the proposed regulation will have a significant impact on the health and welfare of California residents, worker safety, or the state's environment. The regulation clarifies internal procedures for application withdrawal and refund handling and is not expected to produce environmental or public-health effects.

### **CONSIDERATION OF ALTERNATIVES**

In accordance with Government Code section 1346.5, subdivision (a)(13), ABC must determine that no reasonable alternative considered or otherwise identified would be more effective in carrying out the purpose of the statute, less burdensome to affected private persons, or more cost effective.

ABC invites interested persons to submit alternatives during the comment period.

### **CONTACT PERSONS**

Inquiries concerning the proposed rulemaking action may be directed to:

Robert de Ruyter

Department of Alcoholic Beverage Control  
3927 Lennane Drive, Suite 100  
Sacramento, CA 95834  
Phone: (916) 419-8958  
Email: [Robert.deRuyter@abc.ca.gov](mailto:Robert.deRuyter@abc.ca.gov)

The backup contact person for these inquiries is:

Shelby Pender  
Department of Alcoholic Beverage Control  
3927 Lennane Drive, Suite 100  
Sacramento, CA 95834  
Phone: (916) 662-3600  
Email: [Shelby.Pender@abc.ca.gov](mailto:Shelby.Pender@abc.ca.gov)

During the public comment period, comments or questions should be directed to:

[RPU@abc.ca.gov](mailto:RPU@abc.ca.gov)

#### **AVAILABILITY OF RULEMAKING DOCUMENTS**

The rulemaking file, including the Initial Statement of Reasons and the proposed text, is available for public inspection at the above address. If ABC makes changes to the proposed text, the modified text will be made available for at least 15 days before adoption. The Final Statement of Reasons will be available upon completion. All documents will be posted on ABC's website at <https://www.abc.ca.gov/law-and-policy/regulations-rulemaking/>.