

## NEW APPLICANT INFORMATION

This form is to provide applicants with responses to the most commonly asked questions during the application process for an alcoholic beverage license. Visit our website at <http://www.abc.ca.gov/> for additional resources.

## PRIOR TO LICENSE ISSUANCE

### License Applications

- 1) The license application process may take approximately 55-90 days or more. The time necessary to complete an application will depend on whether the application is protested and whether all necessary documents and/or information is received in a timely manner. It is possible that other unforeseen circumstances could affect the application processing time.
- 2) It is highly recommended that applicants do not plan a “Grand Opening” until the license has been issued. A grand opening scheduled by the applicant is not a justification to expedite a licensing investigation.
- 3) No caterer’s authorizations or daily licenses will be issued at a location that has a pending application being investigated.
- 4) Operating conditions limiting the license privileges and/or business operations can be imposed for various reasons, including requests from local law enforcement, protests from the public, or Department findings.
  - a) If the license is issued with specific operating conditions (ABC-172), the licensee is required to maintain a copy of these conditions on the licensed premises. The copy of the conditions shall be kept in an area readily available for inspection by any law enforcement personnel.
- 5) No license shall be issued for any premises for which a previous application has been denied or at which a license has been revoked for reasons pertaining to the premises unless one year has elapsed from the date the application was denied or revoked.
- 6) Many applicants for original licenses are required to mail a “Notice to Engage in the Sale of Alcoholic Beverages” ([Form ABC-207-E](#)) to all residents within 500 ft of the applied-for location. The original Form ABC-207-E, along with the Declaration of Service By Mail ([Form ABC-207-F](#)), must be returned to the licensing representative assigned to the investigation as proof of compliance with the mailing requirement. Failure to comply with this requirement may delay the investigation or result in the denial of the application.
- 7) Some applications require that a determination of “public convenience or necessity (PCN)” is established. PCN is required if the applicant’s premises is located in a “high crime” area based on local crime statistics and/or if the number of similar license types exceeds the limit set forth by state law (over-concentration). Applicants will be notified at the time of application if this situation applies to their application. \*Some applicants, typically those for non-retail licenses (e.g., wineries,

breweries, etc.) may also be required to establish PCN if issuance of the subject license would tend to create a law enforcement problem.

- a) If PCN is required and the application is for an off-sale license (e.g., convenience store, liquor store, type 20 or 21), an on-sale general public premises license (e.g., bar, nightclub, type 42 or 48), or an on-sale music venue license (type 90), the applicant must obtain the determination of PCN from the local governing body. Applicants can contact the planning department in their city (or county if located in an unincorporated area) for information on how to apply for a PCN determination. Be aware that a determination of PCN from the local governing body may take many months to process. Please contact the city or county planning department as early as possible.
- b) If PCN is required and the application is for a bona fide eating place type license (e.g., restaurant types 41 & 47, or a lodging establishment type license), the applicant will be required to write a letter to ABC explaining how the issuance of the license will serve either a public convenience or a public necessity. This is often done by explaining what makes the restaurant unique or different from others in the area. A unique menu or unique facilities are common examples. The letter should be detailed and include specific information. Additional examples of issues that can be addressed when the applicant is required to show PCN include:
  - i) How will issuance of the license enhance the quality of life within the area?
  - ii) How will license issuance serve the community surrounding the applicant's premises?
  - iii) What fiscal benefit will the community experience because of the issuance of the applied-for license?

- 8) Determination of Non-Interference: You may be asked to provide steps taken or planned to ensure that operation of the subject premises will not disturb the quiet enjoyment of nearby residents or contribute to crime in the area or become a strain on police services. (Original languages requested.)
- 9) This Department is unable to recommend escrow companies, consultants, or other legal representation.

### **License Transfers**

- 1) If an application is made to transfer an alcoholic beverage license, the license being transferred must be active or surrendered with the intent to operate once transferred and up to date on its renewal fee. The renewal fees will not be refunded if the application is withdrawn, even if the fee was paid by the applicant (instead of the existing licensee).
- 2) Applicants are required to pay an annual fee for the first year of operation. The annual fee is due at the time of application and will allow the license to be active for approximately one year from the date of issuance. A portion of the annual fee that is collected at the time of application is refundable if the application is withdrawn or denied.

- 3) When the ownership of a license is being transferred, the buyer (i.e., applicant) cannot operate the business and sell alcoholic beverages until the alcoholic beverage license has been issued and activated in their name; OR the seller authorizes the buyer to obtain a temporary permit, with approval from the Department, to operate the premises while the application investigation proceeds.
- 4) This Department cannot litigate disputes, award damages, order deposits to be refunded, or settle claims arising from an escrow transaction related to a license transfer.

## **AFTER LICENSE ISSUANCE**

### **License Issuance and Activation**

- 1) Pursuant to Section 24040 of the Business and Professions Code, a licensed premises must be open and operating within 30 days of the issuance and activation of the license. This 30-day requirement does not apply if the application is for a premises that is under construction or is undergoing a major remodeling.
  - a) Pursuant to Section 24044, applicants are allowed one year to complete the construction/remodeling after the license is issued but before it is activated.
- 2) A retailer cannot buy alcoholic beverages for resale from another retailer. Alcoholic beverages purchased for resale can only be purchased from a wholesaler licensed by this Department. Sam's Club and Costco are considered retail establishments. They are not alcoholic beverage wholesalers.

### **Changes to Ownership**

- 1) If there is a death of a licensee, partner, or individual who held an ownership interest in a license, you must notify ABC immediately to update the license.
- 2) For legal entities, if there is any change in control/ownership of the current licensee (i.e., change in officers, managers, members, stockholders, etc.) but the license remains under the same entity name, the changes must be reported to the Department within ten (10) days of the change(s). Depending upon the extent of the change(s), either a transfer application or an update will be required. Common examples of changes that require notification to ABC include:
  - a) transferring individual ownership interest to a corporation or a trust
  - b) adding a partner
  - c) dropping a partner
  - d) transferring stock within a corporation or membership interest within an LLC

### **Changes to Business Operations**

- 1) If an existing licensee wants to change the nature of its business operation or make significant physical changes to its premises, the licensee must contact their local district office before

implementing the change(s). Common examples of the changes that require notification to ABC include:

- a) the addition or deletion of food service
  - b) expanding the premises including adding a room or patio area
  - c) the addition of a bar where distilled spirits will be served
- 2) Licensees must contact their local ABC district office if the business will be closed for fifteen (15) consecutive days or more; or if the business will discontinue the sale of alcoholic beverages entirely. For district office contact information, visit our website at <https://www.abc.ca.gov/>.

### **Enforcement**

- 1) Agents employed by the Department of Alcoholic Beverage Control are law enforcement officers as outlined in the Penal Code Section 830.2. Agents (and other law enforcement persons, local police, etc.) have the authority to enter any licensed premises, make arrests, issue citations, conduct undercover investigations, etc.
- 2) ABC licensees who hold an on-sale license are required to ensure specific staff (alcohol servers and managers of alcohol servers) have received training from an ABC-approved RBS Training Provider and complete the RBS exam within 60 days of employment. For more information, visit <https://www.abc.ca.gov/education/rbs/>.

### **Appeals Process**

- 1) If a licensee (or someone who protests a license) receives a final decision from the Department of Alcoholic Beverage Control that they disagree with, they may have a right to appeal with the Alcoholic Beverage Control Appeals Board. The Board is separate from the Department and they provide an independent appeals process to review Department decisions. Please see the Board's website to learn more about the Board and how to file an appeal: <https://abcab.ca.gov/>.

### **ABC NEWS AND EVENTS MAILING LIST**

Want to stay up-to-date about important ABC news and events? Visit [www.abc.ca.gov/contact/subscribe/](http://www.abc.ca.gov/contact/subscribe/). Simply provide your email address and name then select which lists you would like to subscribe to.

