

**ISSUANCE OF ORIGINAL AND INTERCOUNTY
TRANSFER OF ON-SALE GENERAL AND OFF-
SALE GENERAL LICENSES**



Instructions: Please read this entire form before filing your application.

INTRODUCTION:

Licenses to sell beer and wine are available year-round from the State if the applicant and the premises qualify. However, *general* licenses, which authorize the retail sale of beer, wine and distilled spirits, are restricted in number and are authorized to be issued originally and via inter-county transfer only once per year, based upon *population vs. existing license ratios* within each county.¹ Where there are more applicants than licenses available, drawings are held and “priority” rankings are assigned. Licenses applied for and issued via the priority system are subject to unique requirements and restrictions. The only other way to obtain a general license is to purchase an existing license from someone who has one already within the same county.

PRIORITY FILING PERIOD:

During the period of **September 11, 2023 through September 22, 2023**, ABC offices will accept applications for priority licenses in eligible counties (see page 7).

PRIORITY APPLICATION FEES:

- Original On-Sale General \$17,335
- Original Off-Sale General \$17,335
- Intercounty Transfer On-Sale General \$6,570
- Intercounty Transfer Off-Sale General \$6,570

The priority application fee must be paid by certified check, cashier's check, or money order only. Additional fees (i.e.; fingerprint, annual fees, etc.) are to be collected at the time of filing the formal application.

Unsuccessful drawing participants or those who withdraw their interest in a priority license prior to the drawing or prior to filing a formal application, may request a full refund, minus a \$100 service charge.

Refunds will be made payable to the applicant(s) listed on the priority application form submitted to the department.

Successful participants who withdraw their interest after filing a formal application for a priority license will be entitled to a refund in accordance with Business and Professions Code (BPC) § 23320 and 23959. Pursuant to the provisions of § 12419.5 of the Government Code, if an applicant owes money to California taxing agencies, a claim against the priority application fee may be made by the taxing agency. If such a claim is made, the amount owed will be deducted from the priority application fee at the time of refund and remitted to the taxing agency.

FILING THE PRIORITY APPLICATION:

Applications may be filed in person by filing the application at one of the ABC offices listed on Page 8 or by mail. You may file your application at the local ABC office overseeing the county where your proposed premises will be

¹Article XX. Section 22 of the State Constitution and Sections 23793, 23816, 23817, 23821, 23954.5, 23961, 23962, 24070, 24071, 24072, and 24079 of the ABC Act, and Rule 60.2 of Division 1, Title 4 of the California Code of Regulations
ABC-521 INSTR. (REV. 08/2023)

located, or at any of the listed ABC offices that is more convenient for you. During the priority period, ABC offices will plan to be open Monday through Friday from 8:00 a.m. until 5:00 p.m. We encourage all applicants to submit their application early.

Deadline:

- In person: On **Friday, September 22, 2023**, only those applicants within the doors of the office by 5:00 p.m. may file priority applications.
- By mail: Your envelope containing Items (1) through (2) below must be **postmarked on or before Friday, September 22, 2023**.

The following items are required:

- (1) Fee - certified check, cashier's check or money order, payable to: Alcoholic Beverage Control.
- (2) Priority License Application – To be completed in full by all applicants, including previously qualified ‘**P-12**’ licensees. **For example, simply noting “P12 licensee” under the officer/shareholder area will not be accepted. P-12 licensees and current/active licensees are not exempt from thoroughly completing the application. An incomplete application will result in disqualification from participating in the priority drawing.** The application requires a single signature on behalf of the applicant entity. If not signed in the presence of an ABC employee, the application must be notarized. In signing, the applicant agrees to comply with conditions and requirements unique to the established priority licensing process. Failure to comply with the conditions and requirements will result in automatic withdrawal of the application and cancellation of an applicant’s priority position.

There are multiple versions of the ABC-521 form. Please complete the version that best relates to the applicant entity.

- ABC-521A (Sole Owner) – For a single individual applying for a license.
- ABC-521B (General Partnership) – For multiple individuals, multiple corporate entities, or a combination of the two, such as an individual partnering with a corporate entity, applying for a license.
- ABC-521C (Limited Partnership) – For a limited partnership with general partners and limited partners applying for a license.
- ABC-521D (Corporations, Trusts and Non-Profits) – For a corporation with officers/directors and stockholders, trusts and non-profit organizations applying for a license.
- ABC-521E (Limited Liability Company) – For a limited liability company with managers and/or members applying for a license.

NAME(S) ON PRIORITY APPLICATION:

The application for a priority license must include the names of **all** persons or entities who have an ownership interest in the priority application or in the business to be licensed. *Failure to list all persons/entities is grounds for disqualification and loss of priority status.*

Any priority license application received by ABC that is incomplete or untimely shall be disqualified.

RESIDENCY:

To be eligible to participate in a priority drawing, an applicant must have been a resident of California for at least 90 days prior to the date of the drawing. If a drawing is necessary, an applicant for a priority license will be required to prove residency via submission of the below described documents:

- Individuals — Proof of residency can be established via documents such as a California Driver License, utility bills, voter registration, etc.
- Partnerships — Each partner must provide proof of residency; see information under “Individuals”, above.
- Corporations — The 90-day residence begins with the date its Articles of Incorporation are filed with the Secretary of State. For out-of-state corporations, the 90-day residency begins with the date registered with the Secretary of State to do business in California.
- Limited Partnerships — The 90-day residency begins with the date the form LP-1 is filed with the Secretary of State. For out-of-state limited partnerships, the 90-day residency begins with the date registered with the Secretary of State to do business in California.
- Limited Liability Companies — The 90-day residency begins with the date the form LLC-1 is filed with the Secretary of State. For out-of-state limited liability companies, the 90-day residency begins with the date registered with the Secretary of State to do business in California.

Failure to provide proof of residency as described above will result in being disqualified from the priority licensing process.

CONDITIONS AND RESTRICTIONS:

Applicant:

No person or entity who files for a priority license may have an interest in any other priority application for the same type of license in the same county and drawing. However, an applicant for an original general license may also file an application for the inter-county transfer of a general license of the same type in the same county.

- Applicants may not pool funds to file more than one priority application for the same type of license and transaction.
- A married couple may file only one priority application for the same type of license and transaction.
- No corporation, limited partnership or limited liability company may file a priority application if it holds the interest in another entity that has filed for the same type of license and transaction in the same county.
- If more than one corporation, limited partnership or limited liability company is a subsidiary of the same parent, only one may file a priority application for the same type of license and transaction.
- A person or entity who holds ownership interest in a priority applicant entity, or who is a principal (officer, director, LLC manager, general partner, etc.) of an applicant entity, may not hold interest in or be a principal of another applicant entity for the same type of license and transaction in the same county.

Each priority application must show the names of all persons having an interest in the license application and related business, including **all**:

- Partners
- General and limited partners of a Limited Partnership

- Corporate officers and directors
- Stockholders or prospective stockholders
- Limited liability company officers, managers, and members

PRIORITY OF APPLICANTS

If the number of applicants is equal to or less than the number of licenses available, all applicants will be notified that they have 90 days to complete a formal application for their specific premises.

If there are more applicants than licenses available, a virtual drawing will be held. The date, time and details of any drawing will be posted on the ABC website (www.abc.ca.gov). After the drawing is held, the Department will notify each applicant by mail of their priority position.

Successful Drawing Participants:

- A successful drawing participant is one whose priority position (number) is lower than the number of licenses available. These applicants will be notified that they have 90 days to complete a formal application for their specific premises.
- Successful drawing participants who do not wish to proceed with filing a formal application may withdraw their interest and request a full refund, minus a \$100 service charge. Once a formal application has been filed, the applicant will only be entitled to a refund in accordance with BPC § 23320 & 23959. (Also, see Application Fees [page 1] regarding claims by California taxing agencies).

Unsuccessful Drawing Participants:

- An unsuccessful drawing participant is one whose priority position (number) is higher than the number of licenses available.
- The priority application fee, minus a \$100 service charge, will be refunded to each unsuccessful drawing participant. Refund checks will be mailed within 90-120 days of the priority drawing (See Application Fees [page 1] regarding claims by California taxing agencies).
- Unsuccessful drawing participants will maintain the priority position assigned to them at the priority drawing. In the event a successful applicant is disqualified or withdraws, the next drawing participant in order of priority will be contacted and will have 30 days to repay the previously refunded priority application fee, and an additional 60 days to file a formal application.
- In order to maintain priority position, unsuccessful drawing participants are encouraged to notify ABC of any change in mailing address that occurs while the priority drawing lists are active.

Expiration of Priority: The numeric list of priority applicants who are not priority winners in the randomized ordering shall be retained by the department until the following year pursuant to Chapter 1, Title 4 of the California Code of Regulations (CCR) § 69.3 (c).

FORMAL APPLICATION FOR PRIORITY LICENSE:

A priority applicant must file a formal application for a specific location within 90 days of the Department's notification and authorization to do so. Failure to file a formal application within the 90 day period will result in loss of priority position and the opportunity to apply will be extended to the next applicant on the list. In addition to the below, all statutory requirements and Departmental procedures set forth for issuing other original retail licenses apply to formal applications for priority licenses.

A priority winner can only submit a formal application with the same individuals and entities listed in its priority application unless it is under the exceptions listed in subdivision (e)(1) and (e)(2) of § 69.4 of Chapter 1, Title 4, of the California Code of Regulations. Any changes in ownership or management that occur within an applicant entity between the time of filing a priority application and actual issuance of a priority license which results in the entity, via its principals or owners, having more than one opportunity in a single priority drawing, will be cause for disqualification.

Proof of Tenancy:

Prior to license issuance, a priority applicant must present proof of a two-year right of tenancy (rental agreement, lease, grant deed, etc.) at the applied-for premises. As the required two-year tenancy requirement starts when the license issues and there is no guarantee that a license will be granted, it is suggested that any financial agreements be contingent upon actual issuance of the priority license.

Premises:

At the time of filing formal application, an on-sale general priority applicant is to designate planned operation as one of the below:

- (1) A bona fide public eating place as defined by BPC § 23038; or
- (2) A public premises as defined by BPC § 23039, but only if the applicant is able to establish during the formal application process that substantial public demand for issuance of the license cannot otherwise be satisfied; or
- (3) A club as defined and authorized by BPC § 23037 and 23399.2; or
- (4) A on-sale general brew-pub restaurant as defined by BPC § 23396.3.

Once formal application for a priority license has been made, no change in the location of the applied-for license will be permitted after the expiration of the 90-day period in which the priority application must be filed, except for causes beyond the control of the applicant and with approval of the ABC Director.

An on-sale license and an off-sale license may be located at the same location only if they are physically separated and operated independently of each other, and the privileges granted to each are to be exercised in a bona fide manner.

In any case involving the denial of a priority license application, the applicant's priority position will be canceled and the fee refunded.

For a Period of Two (2) Years After Issuance of the Priority License:

- The license shall not be transferable from the licensee to any other person except as provided in BPC § 24071, and only when the Department determines that the transfer is necessary to prevent undue hardship.
- The licensee shall not, directly or indirectly, enter into any negotiations or agreements respecting the sale or transfer of the license, unless the Department has determined that undue hardship exists.
- If an undue hardship transfer is authorized by the Department, an original priority license may not be sold for more than the original fee paid for the license.
- Certain changes in ownership and interest within an entity holding a priority license are allowed before the above-described time periods elapse. For instance, a corporation holding an original priority license may appoint new directors, elect new officers and transfer less than 50% of its outstanding stock within two years of license issuance. However, a change in ownership/interest in such a licensed entity *may not* result in a person who had ownership/interest in another priority application for the same type of license and transaction, within the same county and year, obtaining ownership/interest in the licensed entity. If this occurs, the license will be subject to administrative action which could result in its revocation.
- The license shall not be exchanged for a public premises license, unless the licensee can show that a substantial public demand cannot otherwise be satisfied.

Additional Restrictions on Intercounty Priority Licenses:

- Generally, for a period of five years following issuance of an inter-county priority license, such license cannot be transferred for a purchase price exceeding the original priority fee paid to the Department within the past five years, regardless of amount(s) paid for the license in any previous transfer(s).

ELIGIBLE COUNTIES:

This year, the following counties will be eligible for additional on-sale general and off-sale general licenses, as follows:

County	Original (New) On-Sale	Original (New) Off-Sale	Intercounty On-Sale	Intercounty Off-Sale
Alameda	0	25	0	25
Alpine	1	0	0	0
Contra Costa	25	25	25	25
El Dorado	4	0	0	0
Fresno	25	0	25	0
Glenn	1	0	0	0
Imperial	6	0	6	0
Kern	25	0	25	0
Kings	4	0	4	0
Lassen	1	0	1	0
Los Angeles	25	25	25	25
Madera	5	0	5	0
Mariposa	2	0	0	0
Merced	8	1	8	0
Napa	10	0	0	0
Orange	0	25	0	25
Placer	0	2	0	0
Riverside	25	25	25	25
Sacramento	25	25	17	25
San Benito	3	1	3	0
San Bernardino	25	24	25	0
San Diego	0	25	0	25
San Joaquin	25	2	25	0
San Mateo	0	25	0	20
Santa Clara	0	25	0	25
Santa Cruz	0	4	0	0
Shasta	4	0	0	0
Solano	17	1	17	0
Stanislaus	11	0	0	0
Sutter	4	0	2	0
Tehama	2	0	0	0
Tulare	15	0	15	0
Ventura	2	0	0	0
Yolo	9	2	7	0
Yuba	3	0	3	0

LIST OF ABC OFFICES AND THEIR APPLICABLE COUNTIES:

Alameda, Contra Costa, Solano	Concord District Office 1800 Sutter St., Suite 450 Phone: (925) 655-6314	Mariposa, Merced, San Joaquin, Stanislaus	Lodi District Office 3021 Reynolds Ranch Pkwy., Suite 150 Phone: (209) 371-6761
Alpine, El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba	Sacramento District Office 2400 Del Paso Rd., Suite 155 Phone: (916) 419-1319	Napa	Santa Rosa District Office 50 D St., Room 130 Phone: (707) 576-2165
Fresno, Kings, Madera, Tulare	Fresno District Office 1330-B East Shaw Phone: (559) 225-6334	Orange	Santa Ana District Office 2 MacArthur Pl., Suite 200 Phone: (657) 205-3533
Glenn, Lassen, Shasta, Tehama	Redding District Office 1900 Churn Creek Rd., Suite 215 Phone: (530) 224-4830	Riverside, San Bernardino	Palm Desert District Office 34-160 Gateway Dr., Suite 120 Phone: (760) 324-2027 and Riverside District Office 3737 Main St., Suite 900 Phone: (951) 782-4400
Imperial	Palm Desert District Office 34-160 Gateway Dr., Suite 120 Phone: (760) 324-2027	San Benito, Santa Cruz	Salinas District Office 1137 Westridge Parkway Phone: (831) 755-1990
Kern	Bakersfield District Office 4800 Stockdale Hwy., Suite 213 Phone: (661) 395-2731	San Diego, Southern Area	San Diego District Office 8620 Spectrum Center Blvd, Ste 302 Phone: (858) 300-6855
Los Angeles, Northeastern Area	Monrovia District Office 222 East Huntington Dr., Suite 114 Phone: (626) 256-3241	San Diego, Northern Area	San Marcos District Office 570 Rancheros Dr., Suite 240 Phone: (760) 471-4237
Los Angeles, Central Area Southern and Western Area	LA/Metro District Office 888 South Figueroa Street, Suite 320 Phone: (213) 833-6043	San Francisco	San Francisco District Office 33 New Montgomery St., Suite 1230 Phone: (415) 356-6500
Los Angeles, Southeastern Area	Lakewood District Office 3950 Paramount Blvd., Suite 250 Phone: (562) 982-1337	Santa Clara & San Mateo	San Jose District Office 224 Airport Pkwy., Suite 620 Phone: (619) 405-6706 or (669) 977-2295
Los Angeles, North and North- western Area	Van Nuys District Office 6150 Van Nuys Blvd., Room 220 Phone: (818) 901-5017	Ventura	Ventura District Office 1000 South Hill Rd., Suite 310 Phone: (805) 289-0100