



The

# COMPLIANCE CONNECTION



*Your liquor law link to the ABC!!*

Vol. 11, No. 2

The Utah Department of Alcoholic Beverage Control

Spring 2003

## New Alcoholic Beverage Law Special Edition

The new alcoholic beverage laws passed in Senate Bill 153 will become effective on May 5, 2003. This newsletter contains information for licensees and detailed summaries of the major provisions of the bill.

### S.B.153 - History of Its Drafting

The last major revision to Utah's alcoholic beverage control laws was in 1990-91. Since that time, the commission and department have received input from licensees, the alcohol industry, legislators, local governments, law enforcement agencies and the general public concerning these laws. The commissioners have taken notice of public comments and issues raised during their regular commission meetings and at special public hearings they held in 1996, 1998, 1999.

The staff of the department that deals with licensees and the alcohol industry on a daily basis has separately noted areas of laws that needed clarification, technical correction and fine-tuning to improve the overall administration of the laws. In 1996 and 2002, significant court decisions also created the need to revisit laws relating to alcoholic beverage advertising. And needless to say, we all gained much insight and experience from hosting the Winter Games of 2002.

In the spring and summer of 2002, the chairman of the commission and department staff invited representatives from convention and visitors bureaus, the State Travel Council, the Utah Hotel and Lodging Association, the Utah

Restaurant Association, the Utah Hospitality Association, the Downtown Alliance, food service providers and ski resorts to identify those issues they considered the most critical for possible legislation.

In August, the department, under the direction of the commission chairman, began drafting proposed legislation for the 2003 session. Individual commissioners were provided rough drafts in late September and invited to provide comments. Informal discussions continued with representatives of the Utah Restaurant and Hospitality Associations. Senators John Valentine and Ron Allen agreed to sponsor a bill. A draft was finally made available to the Office of Legislative Research & General Counsel on December 31<sup>st</sup>. Their office then commenced the normal process of putting the bill in proper form. The DABC received a completed bill on February 7<sup>th</sup> and immediately posted it on the DABC web site that day. The commission held public hearings on the bill on February 10<sup>th</sup> and 12<sup>th</sup>. Following those hearings, several changes were made to the bill before it was finally introduced in the Senate.

The bill underwent additional changes during the course of the legislative session in both the Senate and House before it was finally enacted into law. The bill takes effect on May 5<sup>th</sup>.

### Notice! Limited Restaurant License Option for Existing Restaurants

Recent changes to Utah's alcoholic beverage control laws give currently licensed restaurants the option of converting to the new, less expensive, "limited" restaurant license (wine/heavy beer/ beer only).

Restaurants that sell wine, heavy beer and beer only and do not sell distilled spirits should consider making this switch as soon as possible because there are financial incentives for converting the early.

If you convert before your current license expires on October 31<sup>st</sup>, the \$250 application fee and \$500 initial license fee for the new limited restaurant license are waived. You will only have to pay the renewal fee (\$300) for the new license on September 30, 2003. This means you will only

pay a total of \$300 to operate as a limited restaurant through October 31, 2004.

Conversely, if you renew your current restaurant license and then convert to a limited restaurant after October 31<sup>st</sup>, your overall licensing fees will be substantially higher. You will pay the full restaurant renewal fee which has significantly increased (\$750 to \$1500 depending on your gross cost of liquor), and the \$250 application fee, and \$500 initial license fee for the new limited restaurant license. Total licensing fees could run you as high as \$2250 for the same period!

Also note that the bond requirement for a limited restaurant license is \$5,000. The bond requirement for the

full service restaurant license has increased to \$10,000.

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### Limited License Option for Restaurants

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So if you are considering converting, you can save up to \$1950 by acting now before your current restaurant liquor license expires!

Note that the operational guidelines for the new limited license are the same as for your current restaurant license except that no distilled spirits may be sold. See the summary printed in this newsletter.

To apply for the limited restaurant license:

1. Call the DABC Licensing & Compliance Division at 801-977-6800 and request that a Limited Restaurant License application be mailed, or one may be picked up at our office, 1625 South 900 West, Salt Lake City.
2. The application will contain a form to submit that surrenders your current restaurant license upon the granting of the new limited restaurant license. E

## Limited Restaurant License Summary

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

A limited restaurant license allows the storage, sale, service, and consumption of wine, heavy beer, and beer on the premises of the restaurant. It does *not* allow the storage, sale or dispensing of distilled spirits. Licenses run from November 1 to October 31. The total number of licenses allowed by law is one per 13,000 people in the state.

### Food Service Requirements

- Patrons may only purchase alcoholic beverages in connection with an order for food which is prepared, sold and served at the restaurant.
- Each limited restaurant licensee shall maintain at least 70% of its total restaurant business from the sale of food.

### Sale and Service of Alcoholic Beverages

#### (1) Wine Sales

- (a) Wine may be sold and served by the bottle or container in sizes not exceeding 1.5 liters to tables of four or more. For tables of less than four, the size can not be larger than 750 ml.
- (b) Wine may be served by the glass or individual portion in quantities not exceeding 5 ounces. An individual portion (i.e. flights) may be served to a patron in more than one glass as long as the total amount of wine in the individual portion does not exceed 5 ounces.
- (c) Wine may be poured by the glass from any size bottle or container and need not be dispensed through a dispensing device.
- (d) A patron who has purchased bottled wine may serve themselves or others at the table.
- (e) Unfinished wine may be removed from the restaurant by a patron if the bottle is recorked or recapped.

- (f) Wine variations such as vermouth, champagne, sherry, port, cider, and sake may be sold by a limited restaurant.

**(2) Heavy Beer Sales:** Heavy beer may be served in original containers not exceeding one liter.

**(3) Beer Sales:** Light beer may be served in any size container not exceeding 2 liters and on draft. Beer may be sold to go in sealed containers.

### Limitation on Total Number of Drinks

- Each patron may have no more than two alcoholic beverages of any kind at a time before the patron.

### Discounting Practices Prohibited

- Wine and heavy beer may not be sold at a discount at any time.
- Other discounting practices are prohibited that encourage over-consumption of alcohol (i.e. "happy hours", "two for ones", "all you can drink for a set price", free alcohol, or selling at less than cost).
- A limited restaurant licensee or employee may not purchase an alcoholic beverage for a patron.

### Written beverage tab

- Each server must keep a written beverage tab for each table or group that orders or consumes alcoholic beverages on the premises.

### Consumption on the Premises

- An open container primarily used for drinking purposes and containing an alcoholic beverage, may not be removed from the restaurant premises.

### "Brown Bagging"

- Patrons may not bring in or store alcoholic beverages on

the premises, however at the licensee's discretion a patron may bring in bottled wine for consumption on the premises.

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### Limited License Summary

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- Wine brought in must be immediately delivered to a server or an employee of the restaurant.
- A wine service may then be performed, and patrons may serve themselves or others at the table.

### Advertising

- Alcoholic beverages may be listed on the food menu or an alcoholic beverage menu.
- Alcoholic beverage menus such as wine lists may be located on the patron's table.
- Servers may ask a patron if they would like an alcoholic beverage.
- Signs advertising the availability of alcoholic beverages may be displayed both inside and outside the restaurant.
- Restaurant advertising in newspapers, magazines, phone book yellow pages, other print media, and on radio, television and billboards may reference the availability of alcoholic beverages.
- Alcohol advertising by the restaurant must comply with the guidelines in Rule R81-1-17.
- Alcoholic beverages *may* be stored where they are visible to patrons.

### Sales Hours

- Wine, and heavy beer may be sold on any day from noon until midnight.
- The alcoholic beverage storage area must remain locked at times when liquor sales are not permitted.
- On election days (regular general, regular primary, or statewide special), wine, and heavy beer may not be sold until after the polls are closed.
- On the day of local municipal, special district, or school elections, limited restaurants may not sell wine and heavy beer if restricted by local ordinance.
- The hours of beer sales are from 10 a.m. to 1 a.m.
- Consumption hours are set by local governing authority (city, county, town) and may vary from legal selling hours.

### Employees

- Any employee handling alcoholic beverages must be twenty one years of age or older.
- Servers of alcohol must wear a unique identification badge showing the employee's first name, initials, or a number assigned by the employer.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years.

### Employee Fines

- The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

### Minors

- Minors may be employed by a limited restaurant, but may not sell or dispense alcoholic beverages.
- Minors may work at a cash register to ring up the sale of alcoholic beverages.

### Warning Sign

- Each limited restaurant licensee shall display, in a prominent place, a sign in at least half inch bold letters stating: "Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."

### Bad Checks

- The DABC may immediately suspend the license if it receives a bad check as payment for liquor, licensing or bond fees, fines and costs for violations, etc.

### Prohibited Conduct

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

### Gambling

- Limited restaurants may not engage in or permit any form of gambling on its premises.Ě

## Limited Licenses: Wine is Defined

It is important to note that limited restaurant licensees may sell "wine" defined under federal law (27 U.S.C. 211 and 27 C.F.R. Section 4.1) that includes the following alcoholic beverages made in the manner of wine containing from 7% to 24% alcohol by volume: sparkling and carbonated wine, wine made from condensed grape must, wine made from other agricultural products than the juice of sound ripe grapes, imitation wine, compounds sold as wine, vermouth, cider, perry (like cider but made from pears), and sake. Ports and Sherries are included in this definition.Ě



## Restaurant Liquor License Summary

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*For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

**A** restaurant liquor license allows the storage, sale, service, and consumption of all types of alcoholic beverages on the premises of the restaurant.

Licenses run from November 1 to October 31. Effective November 1, 2003, the total number of licenses allowed by law is one per 5000 people in the state.

### Food Service Requirements

- Patrons may only purchase alcoholic beverages in connection with an order for food which is prepared, sold and served at the restaurant.
- Each restaurant shall maintain at least 70% of its total restaurant business from the sale of food.

### Sale and Service of Alcoholic Beverages

#### (1) Liquor Sales

**(a)** The primary liquor in a mixed drink may be dispensed from any size bottle, but only in quantities **not to exceed** one ounce through a department approved calibrated metered dispensing system or device. The restaurant must post a list of types and brands of liquor dispensed through the dispensing system.

**(b)** Liquor used as a secondary flavoring need not be dispensed through the dispensing system. Liquor stored and used as flavorings must be clearly labeled "flavoring".

**(c)** The total amount of spirituous liquor in a beverage (including both the primary liquor and any secondary flavorings) may not exceed 2.75 ounces of spirituous liquor.

#### (2) Wine Sales

**(a)** Wine may be sold and served by the bottle or container in sizes not exceeding 1.5 liters to tables of four or more. For tables of less than four, the size can not be larger than 750 ml.

**(b)** Wine may be served by the glass or individual portion in quantities not exceeding 5 ounces. An individual portion (i.e. flights) may be served to a patron in more than one glass as long as the total amount of wine in the individual portion does not exceed 5 ounces.

**(c)** Wine may be poured by the glass from any size bottle or container and need not be dispensed through a dispensing device.

**(d)** A patron who has purchased bottled wine may serve themselves or others at the table.

**(e)** Unfinished wine may be removed from a restaurant by a patron if the bottle is recorked or recapped.

**(3) Heavy Beer Sales:** Heavy beer may be served in original containers not exceeding one liter.

**(4) Beer Sales:** Beer may be served in any size container not exceeding 2 liters and on draft. Beer may be sold to go in sealed containers.

### Limitation on Total Number of Drinks

- Each restaurant patron may have no more than one spirituous liquor drink before the patron at a time (i.e. no "sidecars").
- Each restaurant patron may have no more than two alcoholic beverages of any kind at a time before the patron.

### Discounting Practices Prohibited

- Liquor may not be sold at a discount at any time.
- Other discounting practices are prohibited that encourage over-consumption of alcohol (i.e. "happy hours", "two for ones", "all you can drink for a set price", free alcohol, or selling at less than cost).
- A restaurant licensee or employee may not purchase an alcoholic beverage for a patron.

### Service to the Table

- Alcoholic beverages shall be delivered by a server to the patron.
- Any alcoholic beverage may only be consumed at the patron's table or counter.
- Alcoholic beverages may not be served to or consumed by a patron at a "bar" which is defined as a counter or similar structure where alcoholic beverages are stored, dispensed, or served.
- Each server must keep a written beverage tab for each table or group that orders or consumes alcoholic beverages on the premises.

### Consumption on the Premises

- An open container primarily used for drinking purposes and containing an alcoholic beverage, may not be removed from the restaurant premises.

### "Brown Bagging"

- Patrons may not bring in or store alcoholic beverages on the premises, however at the licensee's discretion a patron may bring in bottled wine for consumption on the premises.
- Wine brought in must be immediately delivered to a server or an employee of the restaurant.
- A wine service may then be performed, and patrons may serve themselves or others at the table.

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## Restaurant Liquor License Summary

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### Advertising

- Alcoholic beverages may be listed on the food menu or an alcoholic beverage menu.
- Alcoholic beverage menus such as wine lists may be located on the patron's table.
- Servers may ask a patron if they would like an alcoholic beverage.
- Signs advertising the availability of alcoholic beverages may be displayed both inside and outside the restaurant.
- Restaurant advertising in newspapers, magazines, phone book yellow pages, other print media, and on radio, television and billboards may reference the availability of alcoholic beverages.
- Alcohol advertising by the restaurant must comply with the guidelines in Rule R81-1-17.
- Alcoholic beverages *may* be stored where they are visible to patrons.

### Sales Hours

- Liquor, wine, and heavy beer may be sold on any day from noon until midnight.
- The liquor storage area must remain locked at times when liquor sales are not permitted.
- On election days (regular general, regular primary, or statewide special), liquor may not be sold until after the polls are closed.
- On the day of local municipal, special district, or school elections, restaurants may not sell liquor if restricted by local ordinance.
- The hours of beer sales are from 10 a.m. to 1 a.m.
- Consumption hours are set by local governing authority (city, county, town) and may vary from legal selling hours.

### Employees

- Any employee handling alcoholic beverages must be twenty one years of age or older.

- Servers of alcohol must wear a unique identification badge showing the employee's first name, initials, or a number assigned by the employer.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years.

### Employee Fines

- The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

### Minors

- Minors may be employed by a restaurant, but may not sell or dispense alcoholic beverages.
- Minors may work at a cash register to ring up the sale of alcoholic beverages.

### Warning Sign

- Each restaurant licensee shall display, in a prominent place, a sign in at least half inch bold letters stating: "Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."

### Bad Checks

- The DABC may immediately suspend the license if it receives a bad check as payment for liquor, licensing or bond fees, fines and costs for violations, etc.

### Prohibited Conduct

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

### Gambling

- Restaurants may not engage in or permit any form of gambling on its premises.

## The Alcoholic Server Training Seminar Requirement

Every individual who is employed by an on-premise licensed establishment to:

- (a) sell or furnish alcoholic beverages to consumers for consumption on the premises, or
- (b) manage or supervise the service of alcoholic beverages;

must complete an Alcohol Server Training and Education Seminar.

Alcohol servers, managers, and supervisors must take and pass the seminar every three years.

Persons holding an ownership interest in an on-premise licensed establishment must also take the seminar if they perform duties as a manager, supervisor, or server.

Managers, supervisors, and servers must complete the training within 30 days of commencing employment.

The programs are authorized and approved by the Division of Substance Abuse (DSA) within the Department of Human Services (phone: 801-538-3939 or on-line at [http://www.utahdsa.com/alcohol\\_server\\_training.htm](http://www.utahdsa.com/alcohol_server_training.htm)). Individual trainers are certified by each of the programs.

## New Fee Schedule

License Type	<u>application</u>	<u>initial</u>	<u>renewal</u>
<b>Full Service Restaurants:</b>			
gross cost of liquor under \$5,000	250	1750	750
gross cost of liquor \$5,000 to < \$10,000	250	1750	900
gross cost of liquor \$10,000 to < \$25,000	250	1750	1250
gross cost of liquor = or > \$25,000	250	1750	1500
<b>Limited Service Restaurants</b>	250	500	300
<b>Private Clubs:</b>			
gross cost of liquor under \$10,000	250	2500	1000
gross cost of liquor \$10,000 to < \$25,000	250	2500	1250
gross cost of liquor \$25,000 to < \$75,000	250	2500	1750
gross cost of liquor = or > \$75,000	250	2500	2250
Banquet Catering	250	500	500
Airport lounge	250	7000	5000
Package Agency	100		
<b>Special use permit:</b>			
Public service	50	200	30 per
			flight, train, or public conveyance
Industrial	50	200	
Scientific/Educational		100	
Religious Wine		100	
Health care facility		100	
Single event permit		100	
Manufacturing license	250	3250	2500
Wine manufacturer <20,000 gallons	250	3250	1200
Certificate of approval	50	250	200
Temporary on-premise beer		75	
Local industry rep	50	100	100
Liquor warehouse	250	750	1000
On-premise beer	250	150	200
Tavern	250	1250	1000
<b>Beer wholesaler:</b>			
case sales under 500k	250	2000	1000
case sales 500k to < 1 million	250	2000	2000
case sales = or > 1 million	250	2000	3000

## Notice!

### Two New Licensing Options for Clubs

Recent changes to Utah's alcoholic beverage control laws give private clubs two new licensing options to consider at renewal. First, a club no longer has to operate as a non-profit corporation. It may be a sole proprietorship, partnership, corporation (either non-profit or for-profit) or limited liability company (LLC). Second, a club that may want to convert to the new, less expensive, limited restaurant license (wine/heavy beer/beer only) may do so without paying the application and initial (first year's) license fees for the limited restaurant license if the club converts before its current club license expires.

**OPTION 1:** Equity country clubs and fraternalists will likely continue to operate as non-profit corporations. However, most dining clubs and social drinking clubs should consider changing to another form of entity. This can easily be done during this club license renewal process as follows:

- Check the new entity type on Form A, item #3, and on Form C of your renewal application
- Enclose the new business organization papers (i.e. new articles of incorporation, new partnership agreement, new articles of organization for an LLC, etc.)
- Attach the new club entity's bylaws and house rules
- Attach either a new bond, or a rider to the current bond changing the name of the principal to the new entity
- Attach a new insurance certificate in the name of the new entity
- Attach a local business/alcohol license in

the name of the new entity

**OPTION 2:** Some clubs may find it economically advantageous to convert to the new limited restaurant license. If you convert before your current club license expires on June 30th, the \$250 application fee and \$500 initial license fee for the new limited restaurant license are waived. You will only have to pay the renewal fee (\$300) for the new license in September, 2003. This means you will only pay a total of \$300 to operate as a limited restaurant through October 31, 2004.

Conversely, if you renew your current club license and then convert to a limited restaurant after June 30th, your licensing fees will be substantially higher. You will pay the full club renewal fee (\$1000 to \$2250 depending on your gross cost of liquor), and the \$250 application fee, \$500 initial license fee, and \$300 renewal fee for the new limited restaurant license. Total licensing fees could run you as high as \$3,300 for the same period!

So if you are considering converting, you can save up to \$3000 by acting now before your current club license expires! To help you decide, here are the operational guidelines for the new limited restaurant license:

- Only wine, heavy beer, and beer may be sold.
- They may be sold only in connection with an order of food.
- Food sales must be no less than 70% of total sales.
- No smoking is allowed on the premises.
- The restaurant must be open to the public.

### Private Club 2003/2004 Renewal Fees and Class Designation Information

**Renewal fees** are based on the annual cost of liquor purchased from the DABC. Renewing licensees in previous years have submitted this figure to the DABC on the "Form E - Financial Spreadsheet" under "cost of sales - liquor". This is the figure the DABC will use to determine renewal fees for this year. For a club renewing for the first time, the DABC will calculate the renewal fee based on the projected cost of liquor provided on the pro forma operating statement turned in with the club's application.

The cost of liquor sales can be calculated by adding up all your purchases for a given period (i.e. month and/or year) or by adjusting the purchases for the inventory on hand. If a

club calculates the cost of liquor sales by adjusting for the inventory on hand, the result will be a truer cost because it accounts for any large purchases made at the end of the accounting period. Clubs are encouraged to consult with an accountant or bookkeeper to determine which is the best method for each club. Whichever method is chosen, it must be used consistently.

The DABC will assign each club a **Class Designation** based on the information on file that has been previously supplied by the club. The class designations are summarized in the following Private Club Liquor License Summary. The statutory definitions will be supplied with the license renewal packets.



## Private Club Liquor License Summary

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code or the Rules of the Commission.*

A private club liquor license allows the sale, storage, service, and consumption of alcoholic beverages (liquor, wine, heavy beer, and beer) on the premises of a private club. Licenses run from July 1 to June 30. The total number of licenses allowed by law is one per 7,000 people in the state.

### There are four classes of private clubs

⊆ Class A includes equity clubs such as country clubs.

⊆ Class B includes mutual benefit associations that are organized under a lodge system such as fraternal or patriotic clubs.

⊆ Class C includes qualified dining clubs that maintain at least 50% of their club business from the sale of food and have adequate culinary facilities to serve full meals.

⊆ Class D includes any other club that does not qualify as a class A, B, or C club, such as a social drinking club that does less than 50% of its business from the sale of food.

### Club Structure

- Licenses may be issued to sole proprietors, partnerships, corporations, or limited liability companies.
- A club must have a governing body comprised of at least three members that holds regular meetings to approve memberships (and conducts any other business required by the club's bylaws or house rules).

### Membership Requirements

- Qualifications for membership are set in the club's bylaws or house rules, however a member must be an individual who is 21 years of age or older.
- The minimum dues can not be less than \$1.00 per month.
- Members may not be admitted sooner than seven days after making application.
- A member's spouse is entitled to all rights and privileges of the member, except to the extent restricted by law (i.e. a spouse who is a minor, cannot be in a bar area, purchase or consume alcohol, etc.).
- A minor child of a member of a Class A club is entitled to all rights and privileges of the member to the extent permitted by the club's bylaws or house rules, except to the extent restricted by law (i.e. cannot be in a bar area, purchase or consume alcohol, etc.).

### Visitor Cards

- Non members, at the discretion of a club, may purchase a visitor card for not less than \$4.
- The visitor card is good for up to three weeks.
- No sponsorship is required.

- The visitor card holder may host up to seven guests.
- Minors may not be issued a visitor card.

⊆ The entire amount of the visitor card fee is retained by the club.

### Guest Hosting

- Guests must be

⊆ previously authorized by a member or holder of a visitor card (host);

⊆ known by the host based on a pre-existing bona fide business or personal relationship prior to the guest's admittance to the club;

⊆ accompanied by the host for the duration of the guest's visit, and enjoy only those privileges derived from the host for the duration of the guest's visit.

- The host must

⊆ remain on the club premises for the duration of the guest's visit; and

⊆ be responsible for the cost of all services extended to the guest.

- On duty employees may not

⊆ act as a host for a guest, or

⊆ attempt to locate a host for a guest with whom the host has no acquaintance based on a pre-existing bona fide business or personal relationship.

- The club and its employees may not enter into an agreement or arrangement with a member or visitor card holder to indiscriminately host members of the general public into the club as guests.

- If a guest is a member of the same fraternal organization as the Class B club, previous authorization by a host is not required.

### Sale and Service of Alcoholic Beverages:

#### (1) Liquor Sales

(a) The primary liquor in a mixed drink may be dispensed from any size bottle, but only in quantities **not to exceed** one ounce through a department approved calibrated metered dispensing system or device. The club must post a list of types and brands of liquor dispensed through the dispensing system.

(b) Liquor used as a secondary flavoring need not be dispensed through the dispensing system. Liquor stored and used as flavorings must be clearly labeled "flavoring".

(c) The total amount of spirituous liquor in a beverage (including both the primary liquor and any secondary flavoring) may not exceed 2.75 ounces of spirituous liquor.

(d) Each patron may have no more than a total of

2.75 ounces of spirituous liquor (including flavorings) at a time before the patron.

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### Private Club License Summary

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(e) The price of a single serving of a primary spirituous liquor must be the same whether served as a single drink or in conjunction with any other alcoholic beverage (i.e. the price of a “shot” must be the same whether served alone or as a “sidecar”).

### (2) Wine Sales

(a) Wine may be sold and served by the bottle or container in sizes not exceeding 1.5 liters to tables of four or more. For tables of less than four, the size can not be larger than 750 ml.

(b) Wine may be served by the glass or individual portion in quantities not exceeding 5 ounces. An individual portion (i.e. “flights”) may be served to a patron in more than one glass as long as the total amount of wine in the individual portion does not exceed 5 ounces. An individual portion of wine is considered one alcoholic beverage.

(c) Wine may be poured by the glass from any size bottle or container and need not be dispensed through a dispensing device.

(d) Unfinished wine may be removed from a club by a patron if the bottle is recorked or recapped.

(3) **Heavy Beer Sales:** Heavy beer may be served in original containers not exceeding one liter.

(4) **Beer Sales:** Light beer may be served in any size container not exceeding 2 liters and on draft. Beer may be sold to go in sealed containers.

### Limitation on Total Number of Drinks

- Each club patron may have no more than two alcoholic beverages of any kind at a time before the patron.

### Discounting Practices Prohibited

- Liquor may not be sold at a discount at any time.
- Other discounting practices are prohibited that encourage over-consumption of alcohol (i.e. “happy hours”, “two for ones”, “all you can drink for a set price”, “free alcohol”, or selling at less than cost).
- A private club licensee or employee may not purchase an alcoholic beverage for a patron.

### “Brown Bagging”

- Patrons may not bring in or store alcoholic beverages on the premises, however at the licensee’s discretion a patron may bring in bottled wine for consumption on the premises.
- Wine brought in must be immediately delivered to a server or an employee of the club.

- A wine service may then be performed, and patrons may serve themselves or others at the table.

### Food Availability

- Clubs must offer a variety of food prepared and served in connection with dining accommodations.
- Food must be available at all times when alcohol is sold, served, or consumed.

### Advertising

- Any advertising by a club, its employees, or persons under contract with the club (i.e. entertainers), must include the phrase, “a private club for members” to clearly identify the establishment as being a private club.
- Signs advertising the availability of alcoholic beverages may be displayed both inside and outside the club.
- Alcohol advertising by the club must comply with the guidelines in Rule R81-1-17.

### Sales Hours

- Alcoholic beverages may be sold on any day from 10:00 a.m. until 1:00 a.m.
- Clubs must remain open an extra hour after alcohol sales and service have ended to allow a patron to finish consuming any single drink purchased before sales ended. Clubs do not have to remain open after all patrons have vacated the premises, or during an emergency.
- The liquor storage area must remain locked at times when liquor sales are not permitted.
- On election days (regular general, regular primary, or statewide special), liquor may not be sold until after the polls are closed.
- On the day of local municipal, special district, or school elections, private clubs may not sell liquor if restricted by local ordinance.

### Employees

- Any employee handling alcoholic beverages must be twenty one years of age or older.
- Servers of alcohol must wear a unique identification badge showing the employee’s first name, initials, or a number assigned by the employer.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years.

### Employee Fines

- The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

## Minors

- Minors *may not* be on the premises of a lounge or bar area of any club except in a Class D club when performing

## Private Club License Summary

*continued from the previous page*

- Minors *may not* be on the premises of any club that provides sexually oriented adult entertainment.
- Minors **may** be employed by Class A, B, or C clubs, but may not work in any lounge or bar area, or sell, serve or handle alcoholic beverages.
- Minors **may** work at a cash register in a Class A or Class C club to ring up the sale of alcoholic beverages.

## Minors in Class D Clubs

- Minors *may not* be on the premises of Class D (social drinking) clubs *except* under the following three exceptions:

- 1) To dine or attend a function if all three of these conditions are met:
  - a) when no alcohol is sold, served, or consumed, but no later than 1 p.m.; and
  - b) when accompanied at all times by a parent, legal guardian, or spouse who is a member of the club or holder of a visitor card; and
  - c) the club has a full kitchen and is licensed by the local jurisdiction as a food service provider.
- 2) Minors *may not* be an employee of a class D club *except* under either of the following circumstances:
  - a) The minor's parent or legal guardian owns or operates the club, provided that the minor is not employed to work in the lounge or bar area; or
  - b) The minor performs maintenance and cleaning services during hours when the club is not open for business (allows cleaning of the lounge and bar area).
- 3) Minors *may* be on the premises of a Class D Dance or Concert hall under the following circumstances:
  - A minor who is at least 18 years old may be on the premises of a dance or concert hall if:
    - a) the dance or concert hall is on the premises of a class D club and the minor is a guest of a member or a guest of a holder of a visitor card; or on adjoining premises operated by the Class D club; and
    - b) the commission has issued the club a "dance or concert hall minor permit" (see below).
  - A minor who is under 18 years old may be on the premises of a concert hall only (not a dance hall) if:
    - a) accompanied by a parent or legal guardian who is a member or holds a visitor card;
    - b) the concert hall is on the premises of a class D club or on adjoining premises operated by the Class D club;
    - c) all alcoholic beverage product, signage, and

maintenance or cleaning services when the club is not open for business.

*Continued on the next page*

dispensing equipment is not visible to the minor; and

- d) the commission has issued a "dance or concert hall minor permit" (see below).
- A minor who is under 18 years old and 14 years of age or older and *not* accompanied by a parent or guardian, may be on the premises of a concert hall only (not a dance hall) if:
    - a) the commission has issued a "dance or concert hall minor permit" (see below);
    - b) all alcoholic beverage product, signage, and dispensing equipment is not visible to the minor; and
    - c) there is no alcoholic beverage sales, service, or consumption on the premises of the class D club.
- Local governments may be more restrictive of a minor's admittance to, use of, or presence on the premises of any private club.

## Dance or Concert Hall Minor Permit

- The commission may issue a dance or concert hall minor permit to a class D club if all of the following conditions are met:
  - 1) the lounge, bar, and alcohol consumption area is:
    - not accessible to minors
    - clearly defined
    - separated by walls, multiple floor levels, or other substantial physical barriers;
  - 2) the bar or dispensing area is not visible to minors;
  - 3) no consumption of alcohol is allowed in the dance or concert hall area or any area of the club accessible to a minor;
  - 4) the club has sufficient security personnel to prevent the passing of beverages from the bar/lounge/consumption area to the dance or concert hall or any area accessible to minors; and
  - 5) there are separate entrances, exits, and restrooms for the dance or concert hall or any area of the club accessible to a minor.
- The permit may be suspended or revoked by the commission for failure to follow the permit guidelines, or for serving a minor, drug activities, lewd acts, etc.

## Warning Sign

- Each club licensee shall display, in a prominent place, a sign in at least half inch bold letters stating: "Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."

## Bad Checks

- The DABC may immediately suspend the license if it receives a bad check as payment for liquor or for licensing or bond fees.

**Prohibited Conduct**

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

**Gambling**

- Clubs may not engage in or permit any form of gambling on its premises.Ě

**Spirituos Liquor**

This term means a distilled spirit, such as bourbon, Scotch, vodka, gin, rum, tequila, or brandy.Ě

**New Size Limit for Spirituous Liquor Drinks**

**T**he new laws now have a limit on the size of a drink made from spirituous liquor. For all licenses and permits that allow the sale of spirituous liquor, the total amount of spirituous liquor in a beverage (including both the primary ingredient and any secondary flavorings) may not exceed 2.75 ounces of spirituous liquor. Bartenders may have to adjust the recipes of certain drinks so that the finished product tastes right. Recipes can be more easily adjusted now that the primary ingredient is not fixed at one ounce, but may be "up to" one ounce.Ě

**Limits on the Total Number of Drinks**

**P**atrons of restaurants, on-premise banquet licensees and single event permittees may have no more than one spirituous liquor beverage before them at a time.

Patrons of restaurants, limited restaurants, on-premise banquet licensees, private clubs, and airport lounges may have no more than two alcoholic beverages (of any kind) before them at a time. Patrons of single event permittees may have no more than one alcoholic beverage of any kind before them at a time.Ě

**The On-Premise Banquet License**

**T**his license has been newly created for hotels, resorts, convention facilities, and sports arenas to sell alcoholic beverages at contracted banquet and catering functions on the premises. Clients may contract with a banquet licensee to provide alcoholic beverages to attendees of a function in either a cash bar or hosted bar situation. Hotels and resorts that hold on-premise banquet licenses may also provide room service of alcoholic beverages in sealed containers to adult guests in sleeping rooms of the hotel or resort. This license was instituted on a trial basis as a "pilot program". The trial period ends on June 30, 2005. On or before November 2004, the Alcoholic Beverage Control Commission will prepare a report to the legislature on the program.Ě

**On-Premise Banquet License Summary**

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code or the Rules of the Commission.*

**A**n on-premise banquet license allows the storage, sale, service, and consumption of liquor, wine, heavy beer, and beer for banquet activities on the premises of a hotel, resort facility, sports center, or convention center. It also allows for room service in hotels and resorts. Licenses run from November 1 to October 31. The total number of licenses allowed by law is one per 30,000 people in the state.

The on-premise banquet license has been established on a temporary basis as a "pilot program". The trial period expires on June 30, 2005. On or before

November 2004, the Alcoholic Beverage Control Commission will prepare a report and recommendation to a legislative interim committee concerning the pilot program.

**Requirements for Banquets****Contract Required**

- An on-premise banquet licensee may serve alcoholic beverages pursuant to a contract with the host of a banquet in a variety of formats: hosted bar, cash bar, dinners, etc.

**Food Requirement**

- Each on-premise banquet licensee shall maintain at least 50% of its total annual banquet receipts from the sale of food.

**On-Premise Banquet License Summary**

*Continued from the previous page*

**Sale and Service of Alcoholic Beverages at a Banquet****(1) Liquor Sales**

(a) The primary liquor in a mixed drink may be dispensed from any size bottle, but only in quantities **not to exceed** one ounce through a department approved calibrated metered dispensing system or device.

(b) Liquor used as a secondary flavoring need not be dispensed through the dispensing system. Liquor stored and used as flavorings must be clearly labeled "flavoring".

(c) The total amount of spirituous liquor in a beverage (including both the primary liquor and any secondary flavorings) may not exceed 2.75 ounces of spirituous liquor.

**(2) Wine Sales**

(a) Wine may be sold and served by the bottle or container in sizes not exceeding 1.5 liters.

(b) Wine may be served by the glass or individual portion in quantities not exceeding 5 ounces. An individual portion (i.e. flights) may be served to a patron in more than one glass as long as the total amount of wine in the individual portion does not exceed 5 ounces.

(c) Wine may be poured by the glass from any size bottle or container and need not be dispensed through a dispensing device.

(d) Banquet attendees who have purchased bottled wine may serve themselves or others at their table.

**(3) Heavy Beer Sales:** Heavy beer may be served in original containers not exceeding one liter.

**(4) Beer Sales:** Light beer may be served in any size container not exceeding 2 liters and on draft.

**Limitation on Total Number of Drinks**

- Each banquet attendee may have no more than one spirituous liquor drink before the patron at a time (i.e. no "sidecars").
- Each banquet attendee may have no more than two alcoholic beverages of any kind at a time before the patron.

**Discounting Practices Prohibited**

- Liquor may not be sold at a discount at any time.
- Other discounting practices are prohibited that encourage over-consumption of alcohol (i.e. "happy hours", "two for ones", "all you can drink for a set price", free alcohol, or

**Supervision**

- A licensee's employee must remain at a banquet when alcoholic beverages are being sold, served, and consumed.

*Continued on the next page*

selling at less than cost).

- An on-premise banquet licensee or employee may not purchase an alcoholic beverage for a patron.

**Consumption on the premises**

- A banquet attendee may not remove any alcoholic beverages from the premises of a banquet.

**"Brown Bagging"**

- Patrons may not bring any alcoholic beverages into or onto the premises of a banquet.

**Unsold Alcoholic Beverages**

- Unsold alcoholic beverages may not be left at a banquet at its conclusion.
- Alcoholic beverages that are open and unused that are *not* in saleable condition shall be destroyed.
- Unopened alcoholic beverages or alcoholic beverages that are open and unused that *are* in saleable condition shall be returned to the banquet licensee's approved locked storage area and may be used at more than one banquet.

**Warning Sign**

- Each on-premise banquet licensee shall prominently display at each banquet, a sign in at least half inch bold letters stating: "Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."

**Requirements for Room Service**

- Delivery of alcoholic beverages shall be made in person to an adult guest in the guest room of a hotel or resort facility.
- Alcoholic beverages may not be left outside the guest room for retrieval by a guest.
- Alcoholic beverages may only be provided in sealed containers.

**General regulations: Banquets and Room service Advertising**

- The advertising of alcoholic beverages must comply with the guidelines in Rule R81-1-17.

**Sales Hours**

- Alcoholic beverages may be sold on any day from 10 a.m. until 1 a.m.
- The alcoholic beverage storage area must remain locked at times when alcohol sales are not permitted.
- On election days (regular general, regular primary, or

statewide special), alcoholic beverages may not be sold until after the polls are closed.

### Employees

- Any employee handling alcoholic beverages must be

### On-Premise Banquet License Summary

*Continued from the previous page*

- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years.
- Any employee who sells or serves alcoholic beverages does so under the direction and supervision of the on-premise banquet licensee.

### Employee Fines

- The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

### Minors

twenty one years of age or older.

- Servers of alcohol must wear a unique identification badge showing the employee's first name, initials, or a number assigned by the employer.

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- Minors may be employed by an on-premise banquet licensee, but may not sell, serve, or dispense alcoholic beverages.

### Bad Checks

- The DABC may immediately suspend the license if it receives a bad check as payment for liquor, licensing or bond fees, fines and costs for violations, etc..

### Prohibited Conduct

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

### Gambling

- On-premise banquet licensees may not engage in or permit any form of gambling on its premises.É

## The New Quota on Tavern Licenses

Holders of an on-premise beer license that are a beer bar, a parlor, a lounge, a cabaret, or a nightclub are classified as a tavern if the revenue from the sale of beer exceeds the revenue of the sale of food, although food need not be sold in the establishment. Taverns are licensed separately under the on-premise beer license section and fall under a statewide quota of one license per 22,500 population.É

## Tavern License Summary

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

A state on-premise beer retailer tavern license allows the sale of beer at retail for on-premise consumption at a tavern. The state license is in addition to any beer license required by a local government. A tavern includes the following if the revenue from the sale of beer exceeds the revenue from the sale of food (although food need not be sold in the establishment); a beer bar, a parlor, a lounge, a cabaret, or a nightclub.

Only one tavern license is required for each building or resort facility owned or leased by the same applicant. Licenses run from March 1 to the last day of February. There is a quota on the number of tavern licenses of one per 22,500 people in the state. Liquor may not be stored or sold on the premises of a tavern.

### Purchases of Beer

- Tavern licensees must purchase, acquire, possess for resale, or sell beer that has been lawfully purchased from a Utah wholesaler who is authorized to sell beer in the geographical area in which the tavern is located, or from a small brewer (manufactures less than 60,000 barrels per year).

### Sale and Service of Beer

- Beer may be sold and served in open containers in any size not exceeding 2 liters and on draft.
- Beer sold in sealed containers may be removed from the beer retailer's premise.

### Sales Hours

- Beer may be sold from 10 a.m. until 1 a.m.
- Taverns must remain open an extra hour after alcohol sales and service have ended to allow a patron to finish consuming any single serving of beer not exceeding 25 ounces purchased before sales ended. Taverns do not have to remain open after all patrons have vacated the premises, or during an emergency.

### Tavern License Summary

*Continued from the previous page*

#### Consumption on the Premises

- An open container primarily used for drinking purposes and containing beer, may not be removed from the premises.

#### Minors

- Minors may not be employed by or allowed on the premises of a tavern.

#### Employees

- Any employee who sells, serves, dispenses, or handles beer must be twenty one years of age or older.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Servers of alcohol must wear a unique identification badge showing the employee's first name, initials, or a number assigned by the employer.
- Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years.

#### Employee Fines

### Discounting Practices Prohibited

- Discounting practices are prohibited that encourage over-consumption of beer such as reduced prices for certain hours of the day (i.e. "happy hours"), "two for ones", free beer, all you can drink for a set price or selling at less than cost.

*Continued on the next page*

- The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

### "Brown Bagging"

- Patrons may not bring in or store alcoholic beverages on the premises.

### Advertising

- Beer advertising must comply with the guidelines in Rule R81-1-17.

### Warning Sign

- Each tavern licensee shall display, in a prominent place, a sign in at least half inch bold letters stating: "Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."

### Prohibited Conduct

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

### Gambling

- A tavern licensee may not engage in or permit any form of gambling on the premises.

## On-Premise Beer License Summary (for retailers that are not taverns)

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

A state on-premise beer retailer license allows the sale of beer at retail for on-premise consumption. These establishments include restaurants, cafes, bowling center or golf course food and beverage facilities, snack bars, etc. Special licensing conditions apply to on-premise beer retailers who are *taverns* (see separate Tavern License Summary). Liquor may not be stored or sold on the premises of an on-premise beer retailer.

Licenses run from March 1 to the last day of February. For on-premise beer retailers that are *not* taverns, there is no quota and the commission may issue licenses at places and in numbers it considers proper.

Only one state beer license is required for each building or resort facility owned or leased by the same applicant. The state license is in addition to any beer license required by a local government.

### Purchases of Beer

- The on-premise retailer must purchase, acquire, possess for resale, or sell beer that has been lawfully purchased from a Utah wholesaler who is authorized to sell beer in the geographical area in which the beer retailer is located, or from a small brewer (manufactures less than 60,000 barrels per year).

**Sale and Service of Beer**

- Beer may be sold and served in open containers in any size not exceeding 2 liters and on draft.
- Beer sold in sealed containers may be removed from the beer retailer's premise.

**Sales Hours**

- Beer may be sold from 10 a.m. until 1 a.m.

**Discounting Practices Prohibited****On-Premise Beer License Summary (non-tavern)**

*Continued from the previous page*

**Minors**

- Minors may be employed by an on-premise beer retailer, but may not sell, dispense, or furnish beer.
- Minors may work at a cash register to ring up the sale of beer.

**Employees**

- Any employee who sells, serves, dispenses, or handles beer must be twenty one years of age or older.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Servers of alcohol must wear a unique identification badge showing the employee's first name, initials, or a number assigned by the employer.
- Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years.

**Employee Fines**

- The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

- Discounting practices are prohibited that encourage over-consumption of beer (i.e. reduced prices for certain hours of the day, "happy hours", "two for ones", "all you can drink for a set price", free beer, or selling at less than cost).

**Consumption on the Premises**

- An open container primarily used for drinking purposes and containing beer may not be removed from the premises.

*Continued on the next page*

**"Brown Bagging"**

- Patrons may not bring in or store alcoholic beverages on the premises.

**Advertising**

- Beer advertising must comply with the guidelines in Rule R81-1-17.

**Warning Sign**

- Each on-premise beer retailer licensee shall display, in a prominent place, a sign in at least half inch bold letters stating: "Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."

**Prohibited Conduct**

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

**Gambling**

- An on-premise beer retailer may not engage in or permit any form of gambling on the premises.

**The New Temporary Special Event Beer Permit**

A state permit is required for the sale of beer at temporary events that do not last longer than 30 days. This permit is in addition to any local permit that may be required.

**Temporary Special Event Beer Permit Summary**

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

**A** temporary beer permit allows the sale of beer at retail for on-premise consumption at a temporary event that does not last longer than 30 days.

**Duration and Number**

- A single permit may authorize the sale of beer for a period

not to exceed 30 days.

- The sale of beer under a series of permits issued to the same person may not exceed 90 days in any one calendar year.

**Qualifications**



- No person who has been convicted of a felony; two or more convictions of driving under the influence of alcohol or drugs within the last five years; or any crime involving the sale, manufacture, distribution, warehousing, adulteration or transportation of alcoholic beverages, or involving moral turpitude may apply for or be granted a temporary beer permit.
- No permit will be issued to any person or business that has had any liquor license or permit revoked within the last three years.
- A minor may not be granted a temporary beer permit.
- If the applicant is a partnership, a minor may not be a partner or managing agent.
- If the applicant is a corporation or limited liability company, a minor may not be a managing agent, officer, director or stockholder who holds at least 20% of the stock of a corporation or owns at least 20% of a limited liability company.

#### **Application Requirements:**

- Written consent of the local governing authority (city, town, county), or a locally issued temporary permit must first be obtained.

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#### **Temporary Beer Permit Summary**

*Continued from the previous page*

- A \$75 permit fee.
- A cash or surety compliance bond in the amount of \$500.
- The commission may consider the general proximity of the event to educational, religious, and recreational facilities in determining whether to grant a permit.
- Applications must be made to and be on file with the department by the 10th of each month.
- The commission may consider the adequacy of control measures at outdoor public events or public events where estimated attendance exceeds 1000 to prevent the consumption of alcohol by minors or intoxicated persons.

#### **Purchases of Beer**

- Temporary beer permit holders must purchase, acquire, possess for resale, or sell beer that has been lawfully purchased from:
  - A Utah beer wholesaler; or
  - A small brewer (manufactures less than 60,000 barrels per year); or

- A licensed Utah beer retailer.

**Beer Sales:** Beer may be served in any size container not exceeding 2 liters and on draft.

#### **Sales Hours**

- Beer may be sold on any day from 10 a.m. until 1 a.m.
- A local authority may be more restrictive regarding the hours of sale, service, or consumption of beer.

#### **Employees**

- Any employee who sells, serves, dispenses, or handles beer must be twenty one years of age or older.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Employees that sell or serve beer do so under the direction and supervision of the temporary beer permit holder.

#### **Discounting Practices Prohibited**

- Discounting practices are prohibited that encourage over-consumption of beer such as reduced prices for certain hours of the event (i.e. "happy hours"), "two for ones", free beer, or selling at less than cost.

#### **Consumption on the Premises**

- An open container primarily used for drinking purposes and containing beer, may not be removed from the premises.

#### **"Brown Bagging"**

- Attendees of an event may not bring any alcoholic beverages onto the premises of the event.

#### **Advertising**

- Public advertising of the event *may* refer to the availability of beer at the event.
- Beer advertising must comply with the guidelines in Rule R81-1-17.

#### **Prohibited Conduct**

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

#### **Gambling**

- A temporary beer permittee may not engage in or permit any form of gambling on the premises of the event.

## **Read The Compliance Connection On-Line**

The DABC website is [www.alcbev.state.ut.us](http://www.alcbev.state.ut.us). It now has a link to this and past issues of *The Compliance Connection*. The direct address to the newsletter page is:  
[http://www.alcbev.state.ut.us/license\\_permit/newsletter\\_main.htm](http://www.alcbev.state.ut.us/license_permit/newsletter_main.htm)

Another way to access the page is to click on "licenses and permits" in the lower left hand side of the home page. This will take you to another page titled "Liquor Laws" with a list of links. The last link on the page is: The Compliance Connection Newsletter **\*\*New\*\***. Click on that link and you'll see the latest issues available. There is also a link to download the Adobe Acrobat Reader which you will need to view the newsletters.Ē

## New Single Event Permit Provisions

This permit now allows for the sale of beer in addition to liquor, wine, and heavy beer. The permits are good for up to five days, and qualifying organizations may hold up to four permits per calendar year. A qualifying organization can be a partnership, or a limited liability company in addition to the previously allowed corporations, churches, political organizations, incorporated associations. Hours of sale are from 10 a.m. to 1 a.m. unless further restricted by local authority.

### Single Event Permit Summary

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

Single event permits may be issued by the commission for the sale of all types of alcohol by the permit holder at conventions, civic or community enterprises, at prices approved by the commission. Permits may be issued to a bona fide partnership, corporation, limited liability company, church, political organization, or incorporated association or to a recognized subordinate lodge, chapter or other local unit thereof. Single event permits provide for the legal storage, sale, service, and consumption of liquor, wine, heavy beer, and beer.

A single event **permit is required** if the applicant desires to benefit from the proceeds of the sale of alcohol by way of direct sales or indirect sales (or in combination) as follows:

- **Direct sales** of alcoholic beverages includes cash bars where drinks are prepared, sold, and served to event participants who pay for alcoholic beverages as they are ordered and received.
- **Indirect sales** of alcoholic beverages includes situations where the purchase of a ticket or payment of an entrance or registration fee entitles the participant to alcoholic beverages included with the event such as an open bar, or wine with dinner.

**Note:** A single event **permit is not required**

- for a privately hosted event where the group's invited guests are not charged to attend and where alcoholic beverages are provided to attendees at no charge.
- when all of the alcoholic beverages are donated to the group (by a benefactor other than an alcohol industry member) and no proceeds from the event are used to offset the cost of alcohol.

#### Duration and Number

- A permit may not exceed 120 consecutive hours (five days).
- Not more than four permits may be issued to the same organization in the same calendar year.

#### Qualifications

- The applicant must have been in existence as a bona fide

organization for at least one year prior to the date of application.

- No person who has been convicted of a felony; two or more convictions of driving under the influence of alcohol or drugs within the last five years; or any crime involving the sale, manufacture, distribution, warehousing, adulteration or transportation of alcoholic beverages, or involving moral turpitude may apply for or be granted a single event permit.
- No permit will be issued to any person or business that has had any liquor license or permit revoked within the last three years.
- A minor may not be granted a single event permit.
- If the applicant is a partnership, a minor may not be a partner or managing agent.
- If the applicant is a corporation or limited liability company, a minor may not be a managing agent, officer, director or stockholder who holds at least 20% of the stock of a corporation or owns at least 20% of a limited liability company.

#### Application Requirements:

- Written consent of the local governing authority (city, town, county) must be obtained.
- A \$100 permit fee.
- A cash or surety compliance bond in the amount of \$1000.
- The commission may consider the general proximity of the event to educational, religious, and recreational facilities in determining whether to grant a permit.
- Applications must be made to and be on file with the department by the 10th of each month.
- The commission may consider the adequacy of control measures at outdoor public events or public events where estimated attendance exceeds 1000 to prevent the consumption of alcohol by minors or intoxicated persons.

#### Purchases of Alcoholic Beverages

- All liquor, wine, and heavy beer shall be purchased by the permittee from a Department of Alcoholic Beverage Control state store or package agency.

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## Single Event Permit Summary

*Continued from the previous page*

- All beer shall be purchased by the permittee from:
- A Utah beer wholesaler; or
- A small brewer (manufactures less than 60,000 barrels per year); or
- A licensed Utah beer retailer.

## Sale and Service of Alcoholic Beverages

### (1) Liquor Sales

(a) The primary spirituous liquor in a mixed drink may be dispensed from any size bottle, but only in quantities **not to exceed** one ounce. A calibrated, metered dispensing device is not required.

(b) Secondary spirituous liquor may be used in a beverage as a flavoring ingredient in conjunction with the primary liquor.

(c) The total amount of spirituous liquor in a beverage (including both the primary liquor and any secondary flavorings) may not exceed 2.75 ounces of spirituous liquor.

### (2) Wine Sales

(a) Wine may be sold and served by the bottle or container in sizes not exceeding 1.5 liters.

(b) Wine may be served by the glass or individual portion in quantities not exceeding 5 ounces. An individual portion (i.e. flights) may be served to a patron in more than one glass as long as the total amount of wine in the individual portion does not exceed 5 ounces.

(c) Wine may be poured by the glass from any size bottle or container and need not be dispensed through a dispensing device.

(3) **Heavy Beer Sales:** Heavy beer may be served in original containers not exceeding one liter.

(4) **Beer Sales:** Beer may be served in any size container not exceeding 2 liters and on draft.

### Limitation on Total Number of Drinks

- Each single event attendee may have no more than one alcoholic beverage of any kind at a time before the patron.

### Sales Hours

- Alcoholic Beverages may be sold on any day from 10 a.m. until 1 a.m.
- A local authority may be more restrictive regarding the

hours of sale, service, or consumption of alcoholic beverages.

- On election days (regular general, regular primary, or statewide special), alcoholic beverages may not be sold until after the polls are closed.

### Employees

- Any employee handling alcoholic beverages must be twenty one years of age or older.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Employees that sell or serve alcoholic beverages do so under the direction and supervision of the permit holder.

### Discounting Practices Prohibited

- Liquor may not be sold at a discount at any time.
- Other discounting practices are prohibited that encourage over-consumption of alcohol such as reduced prices for certain hours of the event (i.e. "happy hours"), "two for ones", free alcohol, or selling at less than cost.

### Consumption on the Premises

- An open container primarily used for drinking purposes and containing an alcoholic beverage, may not be removed from the restaurant premises.

### "Brown Bagging"

- Attendees of an event may not bring any alcoholic beverages onto the premises of the event.

### Advertising

- Public advertising of the event *may* refer to the availability of alcoholic beverages at the event.
- Alcohol advertising must comply with the guidelines in Rule R81-1-17.

### Prohibited Conduct

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises.

### Gambling

- A single event permittee may not engage in or permit any form of gambling on the premises of the event.Ě

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## Airport Lounge Amendments

The major changes to the airport lounge laws are as follows:

**Days of sale:** Sale of alcohol is allowed on election days.

**Drink Size:** The total amount of spirituous liquor in a beverage (including both the one ounce primary and any secondary flavorings) may not exceed 2.75 ounces of spirituous liquor. Each patron may have no more than a total of 2.75 ounces of spirituous liquor (including flavorings) at a time before the patron, and may have no more than two alcoholic beverages of any kind at a time before the patron.

**No Removal of Alcohol:** An airport lounge and its employees may not permit a patron to remove any alcoholic beverage from the airport lounge premises.

**Minor Employees:** Minors may be employed by an airport lounge, but may not sell, serve or handle alcohol. They may work at a cash register and ring up alcohol sales.Ě

## Nuisance Licensee Program is Created

**Non-Renewal of License.** The Alcoholic Beverage Control Commission may refuse to renew a license if the licensee or its employees have engaged in certain activities or violations of law, especially those on or about the licensed premises, that endanger the public health, peace, safety, welfare and morals of the community. These can include felony convictions, convictions for drugs, pornography, prostitution, gambling, disturbing the peace, disorderly conduct, selling to minors, selling to intoxicated persons, selling after hours, or lewd acts.

**Procedures.** Local governments, prosecutors, law enforcement agencies and the Department of Alcoholic Beverage Control may object to the renewal of a license based on the statutory criteria. The licensee is entitled to notice and a hearing. The Commission may renew, not renew, or conditionally renew the license. The licensee may seek judicial review of the commission's decision.Ě

## Other Changes of General Interest

### Markup on Liquor Increased by 3.5%

The markup on liquor, wine, and heavy beer is increased from 61% to 64.5%. The last increase was in 1983.

### Proximity Variance Criteria is Clarified

The criteria for granting any variance to the 200/600 foot proximity restrictions is clarified. Any variance requires consent of the local governing authority, limited alternative locations, a public hearing in the local community, and a determination by the commission that the variance will not be detrimental to the public health, peace, safety and welfare of the community and will not adversely effect efforts to reduce the consumption of alcohol by minors or the over-consumption of alcohol.

### Direct Shipments Prohibited

The new law clarifies the statutes that make the direct shipping of alcoholic beverages to Utah consumers illegal. Direct shipping by an alcohol industry member is a third degree felony; and by an individual is a class B misdemeanor.

## Qualifications to Hold a License

New provisions clarify the law regarding those persons who do not qualify for an alcohol license or permit, a package agency, or for employment with the department because of past criminal convictions. Added to current disqualified persons are those who have been convicted of DUI on two or more occasions within the last five years. Persons in supervisory or managerial positions for licensees are subject to the same qualifications.

## Criminal Offense Amendments

**Sale to Minors:** Sale of alcohol to a minor negligently or recklessly is a class B misdemeanor. Sale knowingly is a class A misdemeanor. Furnishing alcohol to a minor as part of a church's religious service is not prohibited.

**Unlawful Sale During an Emergency:** It is a criminal offense to sell alcohol during a declared emergency for which the sale of alcohol has been prohibited.

**Unlawful Possession of Alcohol Exception:** Persons clearing customs in Utah may lawfully possess up to two liters of alcohol. Persons who inherit liquor as part of an estate may transport it into Utah and possess it with department approval.

**Unlawful Brown bagging:** Technical amendments to cover all situations where Brown bagging is

prohibited.

*Continued on the next page*

### Other Changes of General Interest

*Continued from the previous page*

**Unlawful Permitting Intoxication:** Penalty increased from an infraction to a Class C misdemeanor.

**Unlawful Labeling:** Unlawful possession of or use official commission labels, markings, or labeling equipment is a third degree felony.

**Unlawful Dispensing:** It is a class C misdemeanor for a licensee licensed to sell, serve, dispense or otherwise furnish spirituous liquor for consumption on the premises to dispense more than one ounce of primary spirituous liquor, or more than 1.75 ounces of spirituous liquor as a secondary flavoring in a drink.

**Unlawful Interfering with an Investigation:** A person in or having charge of a premises who interferes with an official investigation is guilty of a class B misdemeanor.

**Conflicting Interests & Offering or Soliciting Bribes or Gifts:** Utah Public Officers' and Employees' Ethics Act made applicable to the commission and department.

**Trade Practices:** Utah's trade practice laws are made consistent with federal trade practice laws (27 U.S.C. 201 to 219A; 27 C.F.R. Subchapter A, Parts 6, 8, 10 & 11) except with respect to furnishing samples of liquor products which are regulated by Utah law. Industry members are permitted to lease or furnish certain equipment for a reasonable rental or service fee to a group conducting a temporary event. Equipment includes a picnic pump, cold plate, tub, keg box, refrigerated trailer or van, or refrigerated draft system.

### Miscellaneous Provisions

**"Brown-bagging":** Subject to the discretion of the licensee, any "bottled" wine (formerly "cork-finished"

wine) may be brought onto the premises of a licensed restaurant, limited restaurant, or private club by a patron for on premise consumption.

**Seasonal Licenses:** For those licenses under a statutory quota, seasonal licenses are available for six consecutive month periods. Summer seasonal licenses begin on May 1<sup>st</sup> and end October 31<sup>st</sup>. Winter seasonal licenses begin on November 1<sup>st</sup> and end on April 30<sup>th</sup>.

**Emergencies:** Establishes procedures for restricting the sale of alcohol during declared emergencies.

**Bad Checks:** Department may immediately suspend the license if it receives a bad check as payment for liquor, licensing or bond fees, fines and costs for violations, etc..

**Posting of Sign During License or Permit Suspension:** If the commission suspends a person's license or permit, a sign must be prominently posted at the entrance of the premises during the suspension which reads: *"The Utah Alcoholic Beverage Control Commission has suspended the alcoholic beverage license or permit of this establishment. Alcoholic beverages shall not be sold, served, furnished, or consumed on these premises during the period of suspension."*

**Religious Organizations:** No permit required to serve alcohol as part of a religious service.

**Public Service Permittees:** Public service permittees that operate planes, trains, or other public conveyances solely within the state must purchase their liquor from the state, and beer from a licensed Utah beer wholesaler.

**Manufacturer & Liquor Warehouse Licensees:** May not sell their license to another person or entity.

**Local Industry Representatives:** An employee or agent of a local industry representative licensee may not be the holder of any retail alcohol license, or be an employee or agent of the retail licensee.

**Beer Wholesalers:** A beer wholesaler who sells or distributes beer to anyone other than a licensed or permitted beer retailer is guilty of a class A misdemeanor. A beer wholesaler who sells or distributes beer to any

The Alcoholic Beverage Control Commission usually meets on the fourth Friday of each month. Meeting dates and times are subject to change. Please call 801-977-6800 for the meeting schedule.

The meetings are open to the public and are held in the board room at the DABC administrative office building: 1625 South 900 West, Salt Lake City. All interested persons are welcome to attend.

retailer outside of the wholesaler's authorized, designated

geographic area is guilty of a class B misdemeanor.

## Beer Wholesaling License Summary

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

**A** beer wholesaling license allows for the import, purchase, storage, sale and distribution of beer (not to exceed 3.2% alcohol by weight or 4.0% alcohol by volume). The license holder may purchase and import beer into Utah, store beer in approved warehouses, and sell and distribute beer directly to licensed beer retailers, and holders of single event permits or temporary special event beer permits. Licenses run from January 1 to December 31.

### Beer Purchases

License holders may only:

- purchase beer from brewers licensed in Utah, or
- import/purchase beer from brewers located outside Utah who hold a certificate of approval from the Department of Alcoholic Beverage Control (DABC).

### Beer Sales

Sales may only be made to:

- licensed retailers, or
- holders of temporary special event permits.

### Geographical Area

- A beer wholesaler must designate its authorized geographical area for sales and distribution of beer (assigned by its suppliers).
- The wholesaler may only sell and distribute beer to retailers within its authorized geographical area.
- If a beer wholesaler is temporarily unable to supply retailers within its area, the DABC may grant temporary authority for another wholesaler to supply the same brands of beer.

### Beer Storage

- A beer wholesaler must own, lease, or otherwise control and maintain a warehouse facility within Utah.
- The facility must be approved by and a current floor plan kept on file with the DABC.
- Beer must be physically removed from the vehicle used to transport the beer from the supplier into the beer wholesaler's warehouse before it may be distributed and sold.

### Minors

A minor may not be:

- granted a beer wholesaling license; or
- employed to handle beer.

### Samples

Samples of beer may be provided to retailers under the

following circumstances:

- The retailer has not purchased the brand within the last 12 months; and
- Not more than three gallons of any brand may be given to a retailer, except that if a particular product is not available in a size within the 3 gallon limit, the next larger size may be provided.

### Trade Practices

The following is a brief summary. For more detail consult Title 32A-12-601 through -606 U.C.A.

Beer wholesalers may not:

- directly or indirectly hold a brewery license or a beer retailer license;
- induce or coerce any retailer to engage in illegal conduct;
- prohibit a retailer from selling the product of any other wholesaler;
- fix the price at which the retailer may resell beer;
- require any retailer to take delivery of any product not voluntarily ordered;
- restrict the right of a retailer to participate in an organization representing the interests of retailers;
- require a retailer to participate in or contribute to any advertising fund or promotional activity;
- retaliate against a retailer that files a complaint with the DABC or a federal agency against the wholesaler;
- refuse to deliver beer to a properly licensed retailer unless:
  - the retailer refuses to pay the wholesaler, or
  - there are other circumstances that prevent delivery such as a strike, embargo, bona fide shortage of materials, or unforeseeable events beyond the control of the wholesaler;
- induce a retailer to purchase beer to the exclusion in whole or in part of any beer products sold by other persons by:
  - violating the provisions of the tied house restrictions of the Alcoholic Beverage Control Act (see section 32A-12-603 U.C.A.), such as:
    - providing certain things of value to a licensed retailer, such as equipment, supplies, signs, services, paid advertising, money, etc., subject to certain exceptions;
    - guaranteeing any loan or repayment of any financial obligation of a retailer;
    - extending credit for a period in excess of 15 days. Payment must be received in cash or its equivalent by the 25<sup>th</sup> of the month if sold between the 1<sup>st</sup> and 15<sup>th</sup> of the month, or by 10<sup>th</sup> of the succeeding month if sold from the 16<sup>th</sup> through end of the month;
- violate the commercial bribery prohibitions of the Alcoholic Beverage Control Act (see section 32A-12-604 U.C.A.).

*Continued on the next page*

### Beer Wholesaling License Summary



*Continued from the previous page*

- violate the consignment sales prohibitions of the Alcoholic Beverage Control Act (see section 32A-12-605 U.C.A.).

### **Prohibitions Involving Consumers**

A wholesaler may not:

- give away any of its alcoholic products except as samples to the extent indicated above, or to the extent authorized by section 32A-12-606 U.C.A.);
- engage in a promotional scheme that requires the purchase or consumption of beer in order to participate;
- give away things of value, such as money, prizes, rebates, or refunds based on the purchase, display, use, sale, or consumption of beer;
- sponsor or underwrite any athletic, theatrical, scholastic, artistic, or scientific event that;
  - overtly promotes the consumption of beer;
  - offers beer to the general public without charge; or
  - takes place on the premises of a school, college, university, or educational institution. Ë

## **Local Industry Representatives License Summary**

*Note: This is general information only and should not be considered conclusive.*

*For further detail, please consult Title 32A of the Utah Code and the Rules of the Commission.*

**A** local industry representative means an individual resident of Utah, Utah partnership, Utah corporation, and a Utah limited liability company compensated by any means for representing the distilled spirits, wine or heavy beer of a manufacturer, supplier, or importer. Local industry representatives must be licensed by the state. They may represent more than one manufacturer, supplier, or importer at a time. Licenses run from January 1 to December 31. Individual employees of a local industry representative are not required to be separately licensed.

Representatives may assist the department in ordering, shipping, and delivering merchandise. They may provide new product notification, listing and de-listing

information, price quotations, product sales analysis, shelf management, and educational seminars, and may, for the purpose of acquiring new listings, solicit orders from the department and submit price lists and samples of their products to the department.

Representatives may not sell or ship liquor, wine, or heavy beer to anyone within the state other than the department and military installations. Representatives may call on licensed retailers, permittees, and package agents, and provide them with informational material concerning the products they carry.

Representatives must maintain on file with the department, a list of all manufacturers, suppliers, and importers they represent, and notify the department of any changes within 14 days of acquiring or losing an account.

### **A local industry representative license may *not* be granted to:**

- a holder of any retail license issued by the Alcoholic Beverage Control Commission or any employee or agent of a retail licensee; or
- any individual, partnership, corporation, or limited liability company who holds any interest in any retail license issued by the Alcoholic Beverage Control Commission; or
- a minor.

### **An employee of a local industry representative may *not* be:**

- the holder of any retail license issued by the Alcoholic Beverage Control Commission; or
- an employee of any retail licensee.

### **Liquor, wine, and heavy beer product samples are restricted:**

- Samples may only be shipped to the department for
  - tasting and analysis by the department under certain conditions; or
  - tasting and analysis by local industry representatives at the department only under certain conditions.

### **Trade Practices:**

See separate "Trade Practices Information" article in this newsletter. For more detail consult Title 32A-12-601 through -606 U.C.A.Ë

## Violations and Penalties

by Chris Johnson

**B**elow, and continued on the following pages, are the most recent violations and penalties assessed. Please review the violations listed below with your staff to prevent similar violations from occurring in your own establishment. As you can see by the number of alcoholic violations listed, law enforcement agencies have been very active.

PLEASE BE CAREFUL!!

AL = Airport Lounge BE = On-premise Beer BR = Brewer / Importer BW = Beer Wholesaler CL = Private Club Liquor  
RE = Restaurant Liquor MR = Manufacturer Representative \* = Prior Violation History > = Taken to formal hearing

License Type	Name of Establishment	Description of Violation(s)	Penalty Assessed
RE	Café Trang, Salt Lake and Minh Phan and Dung Van Nyguyen	1. No ID badges 2. Sale to minors	1. written warning 2. 5 day suspension
BE	Deseret Lounge, Salt Lake and Elizabeth Winters	1. sale to minors	1. 5 day suspension
BE	El Tijuana, Salt Lake	2 cases Case #1 1. No ID badge 2. Sale of A/B after hours Employee consuming on duty Case #2 1. Serving intoxicated persons 2. Sale of A/B after hours 3. No ID badge	Case #1 1. written warning 2. Fine of \$200.00 3. 6 day suspension Case #2 1. 15 day suspension 2. 5 day suspension 3. Fine of \$100.00
CL	Eagles, Midway and Don Schaeffer and Terry Smith	1. Giving away free drinks 2. Non-member entry & sale 3. Serving "Doubles" 4. Serving more than I drink at a time 5. Free-pouring 6. Serving intoxicated persons 7. Employee consuming on duty 8. Allowing lewd acts 9. Allowing patrons to serve themselves 10. Employee selling a controlled substance	1. Fine of \$750.00 2. Fine of \$750.00 3 & 5. 15 day suspension 4. Fine of \$600.00 6. 30 day suspension 7. 20 day suspension 8. 10 day suspension 9. 15 day suspension 10. Dismissed
CL	Gatorz, Midvale and Richard Woodrow Hoover	1. Sale to minors 2. Sale to intoxicated persons 3. Allowing customers to leave with open containers 4. Non-member entry & sale	1. 7 day suspension 2. 6 day suspension 3. 11 day suspension 4. Dismissed
CL	Golden Trails, Salt Lake and Kris Marvel and Sharon Crawford	1. Sale to intoxicated persons	1. 15 day suspension
CL	Kokomo, Ogden	2. Non-member entry & sale	1. Written warning
CL	La Casa Supper Club, Lehi and Gragory Jay Anderson	1. Sale to minors 2. Non-member entry & sale	1. 6 day suspension 2. Fine of \$250.00
CL	La Cascada Bar & Grill, Ogden	1. Non-member entry & sale	1. Written warning

License Type	Name of Establishment	Description of Violation(s)	Penalty Assessed
CL	Playhouse, Salt Lake and Terry Wayne Middleton	1. Sale to minors 2. Non-member entry & sale	1. 6 day suspension 2. Fine of \$250.00
CL	Point After, Murray and Todd Stevens and Brian Thrall	1. Sale to minors 2. Employee consuming on duty 3. Non-member entry & sale	1. Dismissed 2. 6 day suspension 3. Dismissed
RE	Skybox Sports Grille, Salt Lake	1. Discounting drinks	1. Written warning
BE	Taqueria Piedras Negras, Salt Lake and Sandra Hernandez	1. No ID badge 2. No warning sign displayed 3. Sale to minors	1. Written warning 2. Written warning 3. 6 day suspension
CL	Westgate Grill, Park City and Rees Cannon	1. Non-member entry & sale	1. Fine of \$250.00
CL	Ya But's, Salt Lake and Jason Jackson Moore	1. Non-member entry & sale	1. Fine of \$500.00
CL	Zephyr, Salt Lake	1. Non-member entry & sale	1. Written warning
CL	Cheers to you, Salt Lake and John Dale	1. Non-member entry & sale	1. Fine of \$250.00
CL	Chick's Rock N' Roost, Castle Dale and Kristina Morgan, Tracy Oman, Brenda Conner, Dawn Byrge and Brian Blomquist	1. Employee intoxicated on duty 2. Serving intoxicated persons 3. Patrons allowed to serve themselves 4. Free-pouring 5. "Doubles" 6. Non-member entry & sale 7. Discounting drinks 8. Wrong ID badge worn	1 & 3. 20 day suspension 2. 45 day suspension 4. 7 day suspension 5. 7 day suspension 6. Fine of \$250.00 7. Fine of \$250.00 8. Written warning
CL	Silver Dollar Sports Page, Price and Nate Blackwell and Brandon Ellis	1. Sale to minors 2. Employee guest hosting 3. Non-member entry & sale	1. 6 day suspension 2. Fine of \$350.00 3. Fine of \$300.00
CL	That One Place, Vernal	1. Selling alcoholic beverages after hours	1. Written warning
CL	Urban Lounge, Salt Lake and Ryan Brady	1. Non-member entry & sale	1. Fine of \$500.00
CL	VFW #3586, Salt Lake and Kat Hymer	1. Non-member entry & sale	1. Fine of \$350.00
RE	Fiesta Guadalajara and Camerina Curiel	1. Free-pouring 2. Open bottled not attached to metering device 3. Serving more than 1 ounce or primary liquor at a time	1. 11 day suspension 2. 5 day suspension 3. 5 day suspension
CL	Grant's Sportsman, Spanish Fork and Carolyn Rae Wyman	1. Sale to minors 2. Permitting intoxication 3. Free-pouring 4. Non-member entry & sale	1. 6 day suspension 2. Dismissed 3. 6 day suspension 4. Fine of \$250.00
CL	Las Palmas, Ogden	1. Permitting intoxication 2. Sale to minors	1. Dismissed 2. 5 day suspension
BE	Tacos Guanajuato, Orem and Lorena Paola Perez	1. Underage server 2. Untrained server 3. No ID badge 4. No license displayed 5. No warning sign displayed	1. 6 day suspension 2. Fine of \$250.00 3. Written warning 4. Written warning 5. Written warning
CL	Salt Creek Sports Lounge, Nephi and Justin J Thomas	1. Sale to minors 2. Serving "doubles"	1. 6 day suspension 2. Fine of \$600.00
RE	Allie's American Grill, Provo and Lila Stewart	1. Sale to minors	1. 5 day suspension
BE	Art's Lounge, Lehi and Todd C. King	1. Sale to minors 2. Minors on the premises of a tavern	Merged counts 1. 6 day suspension
CL	Caribbean Nights, Salt Lake	1. Non-member entry & sale 2. Unreadable name badges	1. 10 day suspension 2. Written warning

License Type	Name of Establishment	Description of Violation(s)	Penalty Assessed
RE	Cowboy's Country Kitchen, Wellington	1. Selling liquor at unauthorized times 2. No ID badge	1. Fine of \$100.00 2. Written warning
BE	El Nuevo Emanecer Ogden and Consuela Barrera	1. Unlawful importation 2. Liquor (heavy beer) on the premises of a tavern	Merged counts 1. 12 day suspension
RE	Mi Ranchito, American Fork and William H Eldridge	1. Sale to minors 2. No ID badge	1. 5 day suspension 2. Written warning
RE	Tony Roma, Sandy and Anita Anderson	1. Free-pouring 2. No Warning sign displayed 3. No license displayed	1. 5 day suspension 2. Written warning 3. Written warning
BE	Winger's, Draper and Luis Octavio Galindo Avila	1. Sale to minors	1. 5 day suspension

## Licensing Activity

By Chris Johnson

### NEWLY LICENSED ESTABLISHMENTS

December, January, February & March

#### **RESTAURANTS**

Applebee's, West Jordan  
Broken Thumb, Park City  
Don Pedro's, Pleasant Grove  
Garcia's, Layton  
Garden of Eatin', Beaver  
Jacinto's Mexican Restaurant, Provo  
Jang-Soo-Jang, Salt Lake City  
Main Street Pizza & Noodle, Park City  
No Worries Café, Park City  
Ocean City, Salt Lake City  
Olive Garden, Riverdale  
Purple Sage, Park City  
Red Rock Brewing, Co., Salt Lake City  
Sumo Park Café, Park City  
Thaifoon, Salt Lake City  
Westgate Grill, Park City  
(16)

#### **PRIVATE CLUBS**

AB Bosnian, Salt Lake City  
Boom Town Saloon, Clearfield  
Club Vegas, Salt Lake City  
Easy Street Brasserie, Park City  
Fuzzy Mcintire's, Ogden  
Goldbar Saloon, Salt Lake City  
La Casa Supper Club, Lehi  
Mambo Plus, Salt Lake City  
Natalie's, Salt Lake City  
Piper Down, Salt Lake City  
Rivers Private Reserve, Holladay  
Sandy's Station, Sandy  
Suede, Park City  
(13)

#### **ON-PREMISE BEER**

1 Wood Café, Fruit Heights  
All Occasion Catering II, Logan  
Barbacoa Mexican Grill, Salt Lake City  
Bountiful Ridge G.C., Bountiful  
Branding Iron, Moab  
Bump & Grind, Brian Head  
Canyon Breeze, Ivins  
China Star, Bountiful  
Chubby's, Salt Lake City  
Club Castillo, Ogden  
Dawg Pound, Salt Lake City  
El Monte Golf Course, Ogden  
Flaming Gorge Recreation Service, Dutch John  
Gabor Pizzeria, Layton  
Harbor Village, Garden City  
Hitching Post, Morgan  
Jacinto's Mexican Restaurant, Provo  
Kowloon Café, West Valley City  
La Villita Mexican Grill, Murray  
La Villita, Murray  
Lazy Dog Saloon, Riverton  
Mi Mexico, Salt Lake City  
Mi Rancherito, Provo  
Mt. Ogden Golf Course, Ogden  
Pizza Hut, Orem  
Riverbend G.C., Riverton  
Riverhorse on the Green, Park City  
Rock Bottom, Ogden  
Roosevelt Bowl, Roosevelt  
Sicilia Pizza, Salt Lake City  
Singing Cricket, Salt Lake City  
Smoky Mountain Pizza & Pasta, Sandy  
Sun River Golf, St. George  
Taqueria Xochitl, Orem  
Tepanyaki, Clearfield  
Thanksgiving Point, Lehi  
The Steakhouse, Roy  
The Tee Shoppe, Murray  
Tip Top, Centerfield  
Toro Moro, Washington  
Town Lift Café, Park City

Vaquero, Salt Lake City  
Vaquero, Salt Lake City  
(43)

### **LICENSES AVAILABLE (as of November 21, 2002)**

Restaurants = 16  
Private Clubs = 13  
On-premise Beer = no quota

### LICENSES RELINQUISHED

December, January, February & March

#### **RESTAURANTS**

Alachi's, Salt Lake City  
Alice's Restaurant, Brian Head  
Baja Cantina, Park City  
Caffe Molise, Salt Lake City  
Garden of Eatin', Beaver  
Happy Sumo, Park City  
Irish Camel, Park City  
Ocean City, Salt Lake City  
Red Rock Brewing Co., Salt Lake City  
Rocky Mountain Grill, Salt Lake City  
(10)

#### **PRIVATE CLUBS**

Andy's, Harrisville  
Beehive Lounge, Salt Lake City  
Cassidy's, Vernal  
Grafetti's, Ogden  
Harry O's, Park City  
La Casa Supper Club, Lehi  
Mi Tenampa, Ogden  
Natalie's, Salt Lake City  
Playhouse, Salt Lake City  
That One Place, Vernal  
(10)

#### **ON PREMISE BEER**

A-Lotzza Pizza, Sandy  
Baba Mitza's, Salt Lake City  
Barebacks Sports Bar, Ogden

Blue Iguana Express-O, Salt Lake City  
 BMEA Lounge, Lake Powell  
 Boondocks, Salt Lake City  
 Branding Iron, Moab  
 Bump & Grind, Brian Head  
 Cheaters, Ogden  
 Chef's Palace, Kanab  
 Coconut Point, Kearns  
 Crow Bar, Salt Lake City  
 Dawg Pound, Salt Lake City  
 Don Pedro's, Pleasant Grove  
 Don Tequila, Ogden  
 El Buen Sabor, Salt Lake City  
 El Monte Golf Course, Ogden  
 Fat City Smokehouse, Salt Lake City  
 Gepetto's, Holladay  
 Gepetto's, Salt Lake City  
 Goldbar Saloon, Salt Lake City  
 Golden Dynasty, Ogden  
 Great Saltair II, Salt Lake County  
 Guadalajara De Noche, Salt Lake City  
 India Palace, Sandy  
 Jacinto's Mexican Restaurant, Provo  
 Joanie's, Alta  
 La Casa Chaparros, Ogden  
 La Morena Café, Salt Lake City

La Villita, Murray  
 Lala's Fiesta, Vernal  
 Las 3 Marias, Orem  
 Lobby Bar, Park City  
 Loncheria Chilo,s West Valley City  
 Looie's, Salt Lake City  
 Mariscos El Puerto, Salt Lake City  
 Mariscos Pez Vela, Kearns  
 Marley's, Roy  
 Maxi's Deli, Salt Lake City  
 Mazza, Salt Lake City  
 McGrath's Fish House, Layton  
 Mecca Club, Price  
 Mi Mexico, Salt Lake City  
 Miny's Taqueria, West Valley City  
 Miramar, Salt Lake City  
 Mo Jo's, Roy  
 Mt. Ogden Grill, Ogden  
 New Ho Ho, Midvale  
 Pioneer Lodge, Springdale  
 Pizza Hut, Tooele  
 Ratzo's Tavern, Hurricane  
 Red Rock Brewing Co., Salt Lake City  
 Rock Bottom Lounge, Ogden  
 Rock Bottom Lounge, Ogden  
 Roosevelt Bowl & Fun Center, Roosevelt

Rosie's Deli, Price  
 Round Table Pizza, Taylorsville  
 San Juan Inn Bar, Mexican Hat  
 Scorer's Table, Bountiful  
 Stampede, Centerfield  
 Tacos Guanajuato, Orem  
 Taqueria Xochitl, Orem  
 Trout Creek Flies, Dutch John  
 Two Compadres Bar & Grill, Ogden  
 Viva Villa, Orem  
 Wasatch Broiler & Grill, Salt Lake City  
 Wild Cat Saloon, Panguitch  
 Wiseguy's Comedy, Salt Lake City  
 Xterme Pizza, Brian Head  
 Zax Woodfired Pizza, Moab  
 (70)

#### On-Premise Beer Renewals

Renewals (mailed) 461  
 Non-renewals 31

#### Current number of licensees

Restaurant = 534  
 Private Clubs = 328  
 On-premise Beer = 444  
 Total = 1306

## General Advertising Guidelines

The statutes in the new Alcoholic Beverage Control Act have been amended to comply with recent rulings of the United States Supreme Court and Tenth Circuit Court of Appeals.

Several summaries in this newsletter refer to the advertising guidelines in rule R81-1-17. The relevant sections of this rule are excerpted below:

### R81-1-17. Advertising.

#### (2) Definitions.

(a) For purposes of this rule, "**advertisement**" or "**advertising**" includes any written or verbal statement, illustration, or depiction which is calculated to induce alcoholic beverage sales, whether it appears in a newspaper, magazine, trade booklet, menu, wine card, leaflet, circular, mailer, book insert, catalog, promotional material, sales pamphlet, or any written, printed, graphic, or other matter accompanying the container, representations made on cases, billboard, sign, or other public display, public transit card, other periodical literature, publication or in a radio or television broadcast, or in any other media; except that such term shall not include:

- (i) labels on products; or
- (ii) any editorial or other reading material (i.e. news release) in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any alcoholic beverage industry member or retailer, and which is not

written by or at the direction of the industry member or retailer.

(b) For purposes of this rule, "minor" or "minors" shall mean persons under the age of 21 years.

**(10) Advertising Requirements.** Any advertising or advertisement authorized by this rule:

- (a) May not violate any federal laws.
- (b) May not contain any statement, design, device, or representation that is false or misleading;
- (c) May not contain any statement, design, device, or representation that is obscene or indecent;
- (d) May not refer to, portray or imply illegal conduct, illegal activity, abusive or violent relationships or situations, or anti-social behavior, except in the context of public service advertisements or announcements to educate and inform people of the dangers, hazards and risks associated with irresponsible drinking or drinking by persons under the age of 21 years;
- (e) May not encourage over-consumption or intoxication, promote the intoxicating effects of alcohol consumption, or overtly promote increased consumption of alcoholic products;
- (f) May not advertise any promotional scheme such as "happy hour" or "all you can drink for \$...".
- (g) May not encourage or condone drunk driving;
- (h) May not depict the act of drinking;
- (i) May not promote or encourage the sale to or use of alcohol by minors;

(j) May not be directed or appeal primarily to minors by:

(i) using any symbol, language, music, gesture, cartoon character, or childhood figure such as Santa Claus that primarily appeals to minors;

(ii) employing any entertainment figure or group that appeals primarily to minors;

(iii) placing advertising in magazines, newspapers, television programs, radio programs, or other media where most of the audience is reasonably expected to be minors, or placing advertising on the comic pages of magazines, newspapers, or other publications;

(iv) placing advertising in any school, college or university magazine, newspaper, program, television program, radio program, or other media, or sponsoring any school, college or university activity;

(v) using models or actors in the advertising that are or reasonably appear to be minors;

(vi) advertising at an event where most of the audience is reasonably expected to be minors; or

(vii) using alcoholic beverage identification, including logos, trademarks, or names on clothing, toys, games or game equipment, or other materials intended for use primarily by minors.

(k) May not portray use of alcohol by a person while that person is engaged in, or is immediately about to engage in, any activity that requires a high degree of alertness or physical coordination;

(l) May not contain claims or representations that individuals can obtain social, professional, educational, athletic, or financial success or status as a result of alcoholic beverage consumption, or claim or represent that individuals can solve social, personal, or physical problems as a result of such consumption;

(m) May not offer alcoholic beverages to the general public without charge;

(n) May not require the purchase, sale, or consumption of an alcoholic beverage in order to participate in any promotion, program, or other activity; and

(o) May provide information regarding product availability and price, and factual information regarding product qualities, but may not imply by use of appealing characters or life-enhancing images that consumption of the product will benefit the consumer's health, physical prowess, sexual prowess, athletic ability, social welfare, or capacity to enjoy life's activities.£

## Trade Practices Information

***Because the interplay between state and federal law is so technical and detailed, we are providing very general information below.***

***A more detailed summary of trade practices including exclusive outlets, tied house prohibitions, commercial bribery, consignment sales, and unlawful acts involving consumers will be covered in a later edition of this newsletter.***

In the new Alcoholic Beverage Control Act, Utah's trade practice and tied house laws are made consistent with federal laws (27 U.S.C. 201 to 219A; 27 C.F.R. Subchapter A, Parts 6, 8, 10 & 11) except with respect to furnishing samples of liquor products which are regulated by Utah law. Liquor samples may only be shipped to the department for tasting and analysis by the department or for tasting and analysis by local industry representatives at the department under certain conditions. Beer samples may be given to a retailer, however not more than three gallons of any brand may be given and only if the retailer has not purchased the brand within the last 12 months.

Generally, alcoholic beverage industry members (such as manufacturers, manufacturer representatives, wholesalers, or importers), are prohibited from engaging in certain practices with retailers that unlawfully induce the retailer to purchase their products to the exclusion in whole or in part of other competitor's products. For example, manufacturers may not have either a direct or indirect ownership in any retail license (unless it is complete ownership); acquire any interest in the real or personal property of a retailer (unless it is complete ownership);

furnish a retailer with equipment, fixtures, signs, supplies, money, services, or other "things of value" unless specifically authorized by the federal or state "tied house" laws; extend credit beyond a specified period (usually 30 days), act as guarantor of a retailer's debt; lend money; or require any quota or condition the sale of one product upon the purchase of another.

### **Industry members may:**

- contribute to charitable, civic, religious, fraternal, educational, or community activities. These contributions may not be given to influence a retailer in the selection of alcoholic beverage products which might be sold at these activities and events.
- lease or furnish certain equipment for a reasonable rental or service fee to a group conducting a temporary event. Equipment includes a picnic pump, cold plate, tub, keg box, refrigerated trailer or van, or refrigerated draft system.

### **Industry members may not:**

- give away any of their alcoholic products. This does not preclude an industry member from serving its alcoholic products to others at private social functions hosted by the industry member in the member's home or elsewhere so long as the product is not served as part of a promotion of its products, or as a subterfuge to provide samples to others for product testing, analysis, or sampling purposes;
- engage in any advertisement or promotional scheme that requires the purchase or sale of an alcoholic beverage, or consumption of an alcoholic beverage in order to participate in any promotion, program, or other activity; or
- sponsor or underwrite any athletic, theatrical, scholastic, artistic, or scientific event that overtly promotes consumption, offers alcoholic products to the general public without charge, or takes place on the premises of a school, college, university, or other educational institution. E

### Liquor Law Training by The Compliance Division

***The DABC's licensing and compliance division offers free training to all licensees and their employees. This training is available to licensees to help them better understand the alcoholic beverage laws, to help prevent violations, and to provide better and consistent service to patrons. It gives licensees and employees the opportunity for a one-on-one session with the DABC to deal with their specific questions and concerns. Compliance training is available for the different types of outlets licensed by the state. If you are interested in having one of our Compliance Specialists present a training session to your staff, please call at (801) 977-6800.***



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