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Important Information for...

► Local Licensing Bureaus

► Off-Premise Beer Retailers

Placement of Beer

By Earl Dorius

A new state law became effective on May 5, 2008 that affects how beer products must be displayed in stores that sell beer for off-premise consumption such as grocery, convenience stores and the like. Beer products must be displayed in an "area that is visibly separate and distinct from the area where nonalcoholic beverages are displayed" although nonalcoholic beers may be displayed with alcoholic beers. See Utah Code Section 32A-10-102(5)

The new law requires the Alcoholic Beverage Control Commission to further define by rule what is meant by a "separate and distinct area." After consultation with the Utah Food Industry Association, the Commission enacted Rule R81-10-1 that became effective on June 25, 2008. It provides that:

"under no circumstances may there be a co-mingling or interspersing of beer products with non-alcoholic beverages. The separation must clearly and unambiguously convey to a consumer those beverage products that contain alcohol and those that do not. This may be satisfied by any of the following means:

(A) An entire display cabinet, cooler, shelf, aisle, end-cap, side-stack, or stand alone floor display, or room where the only beverages displayed are beer products,

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The Alcoholic Beverage Control Commission meets once a month toward the end of each month. Meeting dates and times are subject to change.

The meetings are open to the public and are held in the board room at the DABC office building: 1625 S 900 W, Salt Lake City. Call 801-977-6800 for the current schedule.

Placement of Beer

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*accompanied by the prominent and unambiguous posting of the sign required by 32A-10-102(5); or
 (B) A shared display cabinet, cooler, shelf, aisle, or room where beer products are displayed separately from non-alcoholic beverages by way of a physical barrier or visible divider of sufficient prominence to create a clear divide between the beer products and the non-alcoholic beverages. The area where beer products are displayed must have a prominent and unambiguous posting of the sign required by 32A-10-102(5). End-cap, side-stack, or stand-alone floor displays may not contain both beer products and non-alcoholic beverages other than non-alcoholic beers."*

*bold type", and
 (3) in a format defined by Commission Rule.*

Commission Rule R81-10-1 requires that:
*(a) the sign is clearly readable;
 (b) on a solid, contrasting background;
 (c) the size of the sign, and the size of the print must be sufficiently large so as to be readable, and clearly and unambiguously convey to a consumer that the beverage products displayed in that area contain alcohol;
 (d) in no instance may the sign be smaller than 8.5" x 3.5".*

The rule also provides that additional signs may be necessary depending on the size and type of beer display area. For example, an entire aisle devoted to beer products may require more than one sign to adequately inform the consumer.

In summary, these new laws have now taken effect. It is important that retail stores comply by clearly separating beer products from non-alcoholic beverages and by posting the required signs in accordance with these laws. Failure to do so is an infraction that carries a possible fine of \$750.00 for each violation.♦

Beer Sign Requirements

The new law also requires the "prominent" posting of a sign in the beer display area that reads:

"THESE BEVERAGES CONTAIN ALCOHOL. PLEASE READ THE LABEL CAREFULLY."

The sign must be:

- (1) "easily readable by a consumer"
- (2) "in print that is no smaller than .5 inches,

Flavored Malt Beverages – Where They are Sold

By Al Potvien

Effective October 1, 2008, flavored malt beverages (FMBs) are classified as liquor, not beer in Utah regardless of the amount of their alcohol content. Utah defines an FMB as a beverage that contains at least .5% alcohol by volume and that the method of manufacture is not generally recognized as a traditional process in the production of a beer as described in federal law, to which is added a flavor or other ingredient containing any alcohol (except for a hop extract), and for which the producer is required to file a formula for approval with the federal Trade and Tax Bureau.

As FMBs contain alcohol derived from other than the traditional brewing process, they may only be sold in state liquor stores and package agencies, and by on premise retailers licensed to sell liquor products. FMBs may no longer be sold by off premise beer retailers such as grocery and convenience stores, on premise beer retailers, or by limited (beer and wine) restaurants.

Where FMBs may still be sold:

- State Liquor Stores
- Package Agencies
- Private Clubs
- Full-Service Restaurants w/ liquor
- On Premise Banquet Licensees
- Airport Lounges
- Single Event Permit Holders

- Off-Premise Beer Retailers (i.e. grocery & convenience stores)
- Limited-Service Restaurants (beer, heavy beer & wine)
- On-Premise Beer Retailer (beer only)
- Taverns (beer only)
- Temporary Special Event Beer Permit Holders (beer only)

Where FMBs may not be sold:

Those FMBs which will be sold by the DABC will be listed on the department's product price lists under this category. Those products reclassified as traditionally produced flavored "beer", with non-alcoholic flavorings and thus available where 3.2% beer is sold will be separately listed on the department website.♦

A message from the Utah Department of Health...

Utah Private Clubs and Taverns to Go Smoke Free on January 1, 2009

by Steve Hadden, Utah Department of Health
Beginning January 1, 2009 the Utah Indoor Clean Air Act will require all Class B and D private clubs and taverns in Utah to join Class A and C private clubs, in becoming smoke free.

When the changes take place, thousands of employees and patrons will enjoy the same protection from secondhand smoke exposure that other Utahns and visitors are already accustomed to. Over the last several years 18 states and 17 countries, (including Ireland, England, and France), have implemented smoke free bars and taverns. Patrons coming to Utah from these places expect the same status here.

Each year in the U.S. secondhand smoke is responsible for thousands of deaths and disability from cancer, heart disease, and respiratory illness. By becoming smoke free, Utah's private clubs and taverns will be able to

increase the ambiance for socialization their patrons demand.

In upcoming months, there will be more information available to assist in the transition. By posting signs, removing ashtrays, and training employees about the new requirements, the transition is expected to go smoothly, as it has in so many other states and countries. During this time the Utah Department of Health and local health departments will be available to clarify the changes and to help tavern and private club owners implement the new requirements.

For more information about the changes in the Utah Indoor Clean Air Act call the Utah Department of Health at 1.877.220.3466 and/or go to the web at <http://www.tobaccofreeutah.org/uicaastat&rule.html> ♦

Communicating with the DABC

By Stephne Pilling
The liquor laws always seem to be in the press. And believe it or not a lot of what you read or hear is not correct information.

The laws are complicated enough without them being interpreted incorrectly. Interpreted incorrectly means potential violations to you as licensees, servers and industry

members.

If you've heard something along the grape vine in the newspaper or on the TV or the radio and you're not sure if what you've heard or read is correct, call your compliance specialist. Our job at the DABC is to assure prompt, consistent interpretations of the Utah liquor laws.

Please do not hesitate to

contact the compliance division with any questions you have. You can call 801-977-6800 or e-mail the DABC hotline: hotline@utah.gov.

The compliance division appreciates the open communication and working towards the goal of having everyone "on the same page". ♦

Governor Huntsman Announces New Service Hours

By Stephne Pilling
Utah Governor Jon Huntsman has initiated "Working 4 Utah", extending state government service hours from 7 a.m. to 6 p.m. Monday through Thursday. The Department of Alcoholic Beverage Control is one of 29 government agencies that are now closed on Fridays.

This initiative will conserve energy, save money, improve our air quality and enhance customer service. The "Working 4 Utah" initiative will be evaluated following a one year period to allow for any necessary adjustments in the future.

If you visit www.Utah.gov you will be able to see which government offices are now closed on Fridays and which ones remain open. You can also view The Cost and

Energy Savings Chart. Again, our office hours are now Monday through Thursday 7 a.m. – 6 p.m.

All licensees are assigned to compliance specialists as their main contact with the DABC. (See the accompanying article on the rotation of compliance specialists.) Licensees are encouraged to call or e-mail their compliance specialist any time they need answers to questions about the liquor laws or would like to schedule a free training session.

If you visit the department's website at <http://www.abc.utah.gov/Background/staff.html>, there is a direct link to the compliance specialist's e-mails. ♦

The DABC warehouse hours: Monday – Friday, 5:00 am to 2:30 pm
Liquor stores will be open regular hours Monday - Saturday.
(Closed Sundays, holidays, and election days)

Rotation of Compliance Specialist Assignments

By Al Potvien

Our licensing and Compliance division has rotated the assignments of its Compliance specialists. If you hold either a private club or restaurant liquor license, you probably have already been notified that you have a new Compliance specialist.

You have also received a notice or will receive one shortly, if you are a state on-premise beer licensee, beer wholesaler / liquor warehouse licensee or manufacturing - brewery / winery. As has been our practice, your Compliance specialist will also notify you when a visit to your establishment will be taking place, and what items will be covered to prepare you for the visit.

Periodically, these assignments are rotated to assure that all state alcoholic beverage licensed businesses receive prompt and courteous service, as well as consistent interpretations of the Utah liquor laws. Please do not hesitate to contact the Compliance division with any questions you have, and we will make every attempt to

answer you as quickly as possible and with accurate information. The department appreciates your efforts to understand the alcohol issues pertaining to your business.

Training Sessions

Finally, if your organization would like to schedule a training session either at your place of business or at one of the department meeting rooms, we would be glad to meet with you and your staff. Those who have already participated in these sessions have found the time well spent. These sessions can be tailored to fit any issues you want covered, any number of people, and can be held at a time convenient to you and your staff. We have also held training with groups of licensees and other interested persons in various regions of the state. If you feel this would be beneficial to your organization or community, please give us a call. ♦

Margaret Hardie – Our Newest Compliance Specialist

By Earl Dorius

We welcome Margaret Hardie to DABC as the newest compliance specialist. Margaret comes to us after a 24 year career with the Department of Public Safety as a trooper and as an agent in Investigations. She retired in August of 2008.

Margaret spent the past (almost) 12 years working as an Agent in the State Bureau of Investigation. For many of those years she was assigned to enforcing liquor laws, so she is already very familiar with the DABC. Her assignment as a compliance specialist with the DABC now represents a major shift in her approach to the liquor laws. No longer on the enforcement side, she is looking forward to being able to offer some unique insights to our licensees while helping them in their compliance efforts.

During her years as a trooper, one of her favorite assignments was when she was a full time Public Information and Education officer in Utah County. She taught seatbelt and highway safety classes to every public school in that county, and also taught many private schools, businesses and colleges. She also set up community safety

fairs at large venues such as the malls, and on the BYU campus. "Even special guests like Governor Leavitt and Karl Malone participated," Margaret said. They were a ton of work, and I put in far more hours than I was paid for, but it was so much fun."

For the past few years she has had the opportunity to work financial crimes and identity fraud. "I liked that, as it was a head game – a giant puzzle, and solving identity fraud crimes is a positive thing for all of us.

Margaret grew up in Cowley, Wyoming, a very small town (about 40 miles northeast of Cody – as in Buffalo Bill!) "My grandmother used to work for Buffalo Bill," she said. Her educational background is in Music and Musical Theatre where she says her heart still is. She said that she loves writing music, singing and performing." Margaret also says she likes gardening, researching family history (like a good investigator), hiking, and rock hounding.

"I am very grateful and happy to be here at DABC where I hope to become a real asset. Thanks for having me." ♦

News From Other States

By John Bryant

In the State of Utah, we do have some restrictions when it comes to the advertising of alcoholic beverages. The main intent of these restrictions is two fold: (1) Make sure the advertising of alcoholic beverages does not promote over-consumption and (2) Is the advertising directed or appealing primarily to minors?

In the State of Oregon, they have found out that there is another issue that we need to consider when advertising alcoholic beverages.

There is a brewery at Newport, Oregon, known as Rogue Ales. The brewery has been told to stop using the stars and stripes to advertise its American Amber Ale, by no less an authority than the U.S. government. The use of the flag was apparently in violation of U.S. Code Title 4, Chapter 1, Section 8, Item I. In part it reads: "The flag should never

be used for advertising purposes in any manner whatsoever." So it's out with the flag-bearing beer taps, pint glasses, posters and T-shirts. And the company's red, white and blue delivery truck will have to be repainted. The brewery's chief executive officer stated: "Ours is not to reason why, ours is to comply."

The order came after an agent for the Alcohol and Tobacco Tax and Trade Bureau who was visiting Newport with her family spotted a Rogue delivery truck with a flag painted on it. Although it's fine to fly it above places of business, U.S. code says the flag shouldn't be used for bedding or draperies, shouldn't be embroidered on things such as handkerchiefs or impressed on disposable items, such as paper napkins. No part of the flag, the rules say, should be used as a costume or athletic uniform. A U.S.

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News From Other States

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Treasury Department spokesman said the code is meant, in part, to keep consumers from thinking that the government endorses products.

The beer maker, which operates six pubs around the Northwest, has made American Amber for about 15

years. It ranks among the brewery's top sellers. By law, the brewery must destroy its flag-bearing merchandise. It will, however, be allowed to give some of it to charity. So those American Amber pint glasses? The CEO says they'll go to Oregon soldiers returning home from war. ♦

E-Licensing

By Keith Zuspan

We are pleased to announce the DABC online license renewal system and hope you will enjoy the ease and convenience of on-line license renewal.

The new system allows certain licensees to submit their renewal application electronically during the renewal cycle: full-service restaurants, limited service restaurants, banquet catering, and airport lounge licenses renew in September; on-premise beer (tavern and non-tavern) licenses renew in January; and private club licenses renew in May.

How it Works!

Renewing your license online is simple and efficient, taking only about 15 minutes. The process requires you to enter online information from the renewal materials

mailed to you by DABC, verify and update your unique license information, answer a few questions, pay your renewal fees and print a copy of your submission. The paper renewal can be used as a reference to prepare for the online process.

We have developed a payment feature for your convenience. You may pay your renewal fees with a debit/credit card (Visa, Mastercard, American Express, Discover) or an electronic check.

After the renewal process, you may be asked by your compliance officer to submit additional information such as local business license, ACORD Certificate of Insurance Liability or alcohol server training records.

If you are unable to renew your license online due to changes in operating entity, changes of corporate

officers/directors, or relocation of your business, you must submit a paper renewal form.

Information you provide is for the sole use of the DABC. Personal information submitted online is protected. The State of Utah and Utah.gov take your internet security very seriously. Our technology and policies are designed to make your online transactions safe, private, and secure. Rigorous policies and procedures are utilized to safeguard your personal information, such as social security numbers, banking information, and personal data.

If you do not receive renewal materials in the mail, it is likely due to a change in your mailing address. Call (801) 977-6800 to obtain a copy of your license renewal packet and your online renewal ID number. ♦

Returned Checks? Grounds for license revocation!

By Abe Kader

The number of returned checks from our licensees has increased, according to Rae Jordison, the DABC Accounting Manager. Ms. Jordison said that "the increase includes licensees who have had returned checks in the past.

The department will impose a returned check fee of \$20. Additional consequences of having a check returned can range from being placed on a "cash only" basis with the department to a license suspension or revocation and forfeiture of a bond.

Checks are returned for the following reasons:

- (1) insufficient funds,
- (2) refer to maker,
- (3) account closed, or
- (4) stop payment.

The Commission Rule, R81-1-3(6), states that "Receipt of a check payable to the department which is returned by the bank for any of these reasons may result in the immediate suspension of the license, permit, or operation of the package agency of a person tendering the check..."

If a suspension is imposed and the face value of the check plus the \$20 returned check charge is not paid, it could result in a revocation. The rule states that "Failure to make good the returned check and pay the twenty dollars returned check charge within thirty days after the license, permit, or operation of the package agency is suspended, is grounds for revocation of the license or permit, or termination of the package agency contract, and the forfeiture of the licensee's, permittees, or package agent's bond."

Returned checks are currently processed through TeleCheck, a check collection agency. If a check does not clear the bank it is sent to TeleCheck then returned to the DABC for collection.

If you have a returned check you will be subject to the sanctions in this rule. For a copy of the rule see R81-1-3(6) at: www.rules.utah.gov/publicat/code/r081/r081-01.htm#T3

Questions concerning returned checks may be directed to Rae Jordison at 801-977-6800. ♦

Violations and Penalties

By Chris Johnson

Below is a list of the most recent violations and penalties assessed for all licensees. 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!!

CL = Private Club Liquor BE = On-Premise Beer TV = Taverns * = Prior Violation History
 RE = Full Service Restaurant RL = Limited Service Restaurant TB = Temporary Beer Permitees
 SE = Single Event Permitees BW = Beer Wholesaler AL= Airport Lounge

License Type	Name of Establishment	Description of Violation(s)	Penalty Assessed
CL	Jessica Harnois, former employee of Hog Wallow Pub, Salt Lake	1. Sale to intoxicated persons	1. Fine of \$100.00
CL	Bandolero's Night Club, Kearns and Armando R Marquez (employee)	1. Sale to minors 2. Non-member entry & sale	1. Fine of \$1,200.00 2. Fine of \$250.00 plus costs
RE	Jeffery S Anderson, former employee of La Frontera, Bountiful	1. Sale to minors 2. No ID badge	1. Fine of \$100.00 2. Written warning
CL	Bill's Lounge, Magna	1. Sale to intoxicated persons 2. Allowing patrons to leave with open containers	1. 10 day license suspension 2. Fine of \$500.00 plus costs
RL	Las Palmeras, St George and Juan C Gallegos (employee)	1. Sale to minors 2. Sale by a minor	1. Fine of \$1,200.00 2. Fine of \$600.00 plus costs
CL	Rodeo's 35, West Valley	1. Sale to intoxicated persons 2. Sale to minors 3. Minors on the premises of a class "D" club 4. More than 2 A/B in front of patron at a time 5. Non-member entry & sale 6. No ID badge	1. 10 day license suspension 2 & 3. 5 day license suspension 4. Fine of \$600.00 5. Fine of \$250.00 plus costs 6. Written warning
RE	Braza Grill, Layton	1. No server training records	1. Written warning
CL	World Famous Woody's Tavern, Moab	1. Non-member entry & sale*	1. Fine of \$1,000.00 plus costs
CL	Deneise Larsen (former employee of Rockies @ Holiday Inn, Price)	1. Allowing patrons to leave with open containers 2. Non-member entry & sale	1. Fine of \$25.00 2. Written warning
CL	Tami Otto (former employee of Rockies @ Holiday Inn, Price)	1. Allowing patrons to leave with open containers 2. Non-member entry & sale	1. Fine of \$25.00 2. Written warning
BC	Davis County Conference Center, Layton and "Mark" (employee)	1. Employee consuming on duty	1. 5 day license suspension plus costs
RE	Jersey's Sports Grill, Salt Lake and Kristan Holeman (employee)	1. Sale to minors	1. Fine of \$1,000.00 plus costs
CL	Last Chance, Clearfield and Jamie Bohling and Eustatia Shafer (employees)	1. Sale to intoxicated persons 2. Allowing patrons to leave with open containers	1. 15 day license suspension and a fine of \$4,000.00 2. Fine of \$750.00 plus costs
RE	Rancher Café & Gold Room, Delta and Kyla A Overson (employee)	1. Sale to minors	1. 5 day license suspension plus costs
CL	X Wife's Place, Salt Lake and Brandi M Corsillo (employee)	1. Sale to minors 2. Minors on the premises of a class "D" club 3. Non-member entry & sale	1. Fine of \$1,000.00 2. Dismissed 3. Fine of \$250.00 plus costs
CL	Rockies @ Holiday Inn, Price and Deneise Larsen and Tami Otto (employees)	1. Allowing patrons to leave with open containers 2. Non-member entry & sale	1. Fine of \$1,000.00 2. Fine of \$750.00 plus costs



Missing Employees

The DABC is attempting to locate the following individuals that either currently or previously worked for the licensees listed below. We have adjudicated violations with the licensees, but the employees either could not be located or did not attend the proceedings when the violations were adjudicated.

If any of these employees are currently working for your business, please have them immediately contact Ed Lombard at the Utah Attorney General's Office at 801 366-0157.

Stan G. Allen - The Standard
 Cynthia M Anderton - Applebee's (West Valley)
 Michael R. Arcaris - Squatter's Pub
 Braeden M. Brinton - The Standard
 Sara Bryson - Mimi's Café (Orem)
 Catherine Clark - Goldbar Saloon
 David Durrant - Tucci's (Salt Lake)
 Kristina M. Erskine - Asuka Japanese Sushi
 Robert J. Gardner - Juhl Haus Deli & Market
 David Homer - One & Only
 Charles Lamb - Jeremy Golf & Country Club
 George H. Lasater - Eddie McStiff's
 Lacey B. Miller - World Famous Woody's Tavern
 Bryce Pearson - Old Spaghetti Factory (Salt Lake)
 Courtney J Rios - Art's Place
 James D. Santini - P.F. Chang's (Orem)
 Kate Christianson - Chili's (St. George)
 Sean Hill - Chili's (St. George)
 Jared B Hileman - Shaggy's Livin Room

Danielle Sims - Sportsman's Lounge
 "Bubba" - Sportsmans' Lounge
 Sarah E. Ellis - Alpine Internet Café
 Vincent Laguardia - Alpine Internet Café
 Troy Mattinson - Applebee's (St George)
 Monica M. Salazar - Cheater's Lounge
 Susan Pontius - Applebee's (Orem)
 Alicia Bowman - Palms @ Holiday Inn
 Laurie A. Johnson - Don Jose Mexican Restaurant
 Jason M. Green - Sunset West Bowling Center
 Jeffery S. Anderson - La Frontera (Bountiful)
 Clay Petty - World Famous Woody's Tavern
 "Julie" - Jessie's Bar & Grill
 Billie Jo Lange - Outback Steakhouse (St George)
 Brenda Conners - Papa Joe's
 Kathy Walton - Chili's, Midvale
 Natalie Oswald - Hog Wallow Pub
 Kristan Holeman - Jersey's Sports Grill
 "Mark" - Davis County Conference Center

Links on the DABC Website

Looking for the items "on sale" each month? http://www.abc.utah.gov/Products/spa_pricelist.pdf

You may download any of our license applications: http://www.alcbev.state.ut.us/license_permit/lic_app.html

Past issues of the Licensing Newsletter: http://www.abc.utah.gov/license_permit/newsletter_main.htm

DABC Product and Price Listing: http://www.abc.utah.gov/Price_List/product_price_legend.html

Approved server training programs: http://www.abc.utah.gov/license_compliance/serv_train.html

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Website: www.abc.utah.gov

Download a copy of the newsletter at:

http://www.abc.utah.gov/license_permit/newsletter_main.htm

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Return Service Requested

PRSR STD
U.S. POSTAGE
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Permit No. 4621