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Dram Shop Insurance Coverage

By Neil Cohen

New minimum dram shop (liquor liability) insurance coverage limits go into effect on January 1, 2010 for:

- Full Service Restaurants
- Limited Service Restaurants
- On-Premise Beer Retailers (Taverns)
- On-Premise Beer Retailers (Non-Taverns)
- On Premise Banquet Licensees

The minimum coverage requirements are \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

Licensees that already have these higher limits do not have to take any action.

Licensees with lower limits will have to increase their coverage and provide the DABC with a new “certificate of insurance” showing liquor liability insurance coverage for at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate effective January 1, 2010.

Please contact your insurance agent and ask to have a new “certificate of insurance” sent to the DABC. Please make sure that the “certificate holder” is:

The Department of Alcoholic Beverage Control
PO Box 30408
Salt Lake City UT 84130

Mail to the above address or fax: 801-977-6889.

These new limits go into effect for clubs (equity, fraternal, dining, and social) on July 1, 2010.♦

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 South 900 West, Salt Lake City.
Call 801-977-6800 for the current schedule.***

Club Bonds

By Stephne Pilling

On July 1, 2009, the legislature eliminated the requirement that a club had to be private and the word "private" was removed from the name of the club license. The license is now called a "Club License". Since 2003 the law has been changed so that it is no longer required that a club has to be a non-profit corporation. As a result, many clubs have changed their business entity to an LLC or to a for-profit entity.

Clubs are now required to update their bond to the new "Club Bond" form.

Because of those changes, many of the bonds that are on file with DABC are incorrect. A new updated bond form is now required. Clubs licensed after July 1, 2009 should already have the correct bond on file. All clubs licensed before July 1, 2009 must now contact their insurance agent or surety company and ask to have the bond re-issued on the new bond form. Some of the older bonds on file still read "private club bond" and reference a "non-profit corporation". Equity and fraternal clubs may still be non-profit corporations, but it's not required to say that on the new bond form.

Whether you are an Equity, Fraternal, Dining or Social club, the same bond form is used for all of the different types of clubs. The current form is on our website at http://abc.utah.gov/Forms/Club_Bond.pdf. If you, your insurance agent, or surety bond company need a club bond form faxed, mailed, or e-mailed, please contact the compliance division at 801-977-6800. ♦

We've been Asked...

To Scan or Not to Scan

by Al Potvien

Social Clubs are required to electronically verify (scan) the ID of anyone who looks 35 or under in order to admit that person into the club. So people who look 35 or under must have their ID scanned in order to enter the social club.

Dining clubs are only required to electronically verify (scan) the ID of anyone who looks 35 or under who orders an alcoholic beverage. A person who is under 21 (a minor) is allowed in a dining club if accompanied by a person who is 21 or older (an adult). The adult does *not* have to be the minor's parent or guardian. The adult does not have to

An ID must be scanned for a person who looks 35 or younger to gain admittance to a Social Club.

An ID must be scanned for a person who looks 35 or younger to order alcohol in a Dining Club.

have his/her ID *scanned* to enter a dining club, but dining clubs should check IDs as they normally do if a patron looks under 21 years of age. ♦

Liquor Dispensing... Must be from Original Containers

By Keith Zuspan

Licenses that are required to dispense liquor through a metered dispensing system (clubs, full service restaurants, airport lounges, resort spa, and on-premise banquet licensees), must dispense from the original container.

It is against Utah law and against federal law to refill liquor bottles. Utah Code Section 32A-12-219 states in part: "A person may not...refill or partly refill with any substance the contents of an original package of alcoholic beverage as originally marketed by a manufacturer."

Routine inspections by DABC compliance specialists have found that some licensees have been pouring liquor from a 1.75 liter bottle into a one liter or 750 ml bottle because it can be handled better or to fit in the manifold of a remote liquor dispensing system.

Refilling liquor bottles is a violation of the administrative rules of the DABC Commission R81-1-9(4)(e) and (f) which states in part: "All dispensing systems and devices must...not dispense from or utilize containers other

...all liquor dispensed through a dispensing system shall be from its original container, and there shall be no re-use or refilling of liquor bottles with any substance whatsoever.

R81-1-9(4)(f)

than original liquor bottles... "and "Pursuant to federal law, all liquor dispensed through a dispensing system shall be from its original container, and there shall be no re-use or refilling of liquor bottles with any substance whatsoever."

It is also a violation of the code of federal regulations (C.F.R.) section 31.261 which states: "No person who sells, or offers for sale, distilled spirits, or agent or employee of such person, shall (a) place in any liquor bottle any distilled spirits whatsoever other than those contained in such bottle... , or (b) by the addition of any substance whatsoever to any liquor bottle, in any manner alter or increase any portion of the original contents contained in such bottle..." ♦

“Brown-bagging” Bottled Wine...an Update

By Abe Kader

If you have a restaurant license (full service or limited service), resort spa, or a club license, and you allow a patron to bring in bottled wine, you no longer have to check for a “state sticker” on the bottle. The legislature eliminated the requirement that the state put an official state label (“sticker”) on liquor, wine and heavy beer bottles.

You may see some bottles that still have the sticker on them, but any bottles purchased after May 11, 2009 will not have a sticker on them. Remember that only bottled wine may be brought in, either with a cork or a screw top. Boxed wines are not allowed to be carried in by a patron.♦

Liquor or Wine Used for Cooking

By Rob Hanson

Liquor and wine must be locked up during the prohibited hours of sale. But wine or liquor for cooking purposes can be used at any time. Any bottles used in this manner must be labeled “cooking flavoring”. The administrative rules of the DABC Commission for full and limited restaurants, resort spas, and clubs state: “Alcoholic

product flavoring may be utilized in beverages only during the authorized selling hours... Alcoholic product flavoring may be used in the preparation of food items and desserts at any time if plainly and conspicuously labeled “cooking flavoring”.♦

ID Scanner Records

Clubs must be able to access and provide the data.

By Margaret Hardie

Social Clubs and Dining Clubs must be able to read, print, or download the data in the ID scanners. Club owners/managers should have the knowledge and capability to produce the data upon request of a peace officer or authorized representative of the DABC.

This data is considered a “record”. Utah Code Section 32A-5-107(4)(c) states: “a member of the commission, authorized department personnel, or a peace officer shall, upon presentation of credentials, be admitted

immediately to the club license premises and permitted without hindrance or delay to inspect completely the entire club license premises and the books and records of the club licensee, at any time during which the club licensee is open for the transaction of business...”

Clubs must contact the scanner provider/supplier for instructions and training on how to read and produce the data from the scanning device.♦

Free training....

Free liquor law training is available to all licensees and their employees. This training helps licensees to understand the alcoholic beverage laws, 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 specific questions and concerns.

We will tailor our training to fit your needs and schedule. If you are interested in having one of our Compliance Specialists present a training session to your staff, please call at (801) 977-6800.

Beer License Renewals

by Keith Zuspan, Neil Cohen, and Abe Kader

On-Premise Beer Retailers and Taverns can choose to renew their license online or the conventional (paper) method.

Online Renewal

How it Works! The system allows you to submit your renewal application electronically beginning January 1, 2010 through February 1, 2010. Remember the deadline to complete your renewal is Monday, February 1.

Renewing your license online is simple and efficient. 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 and payment. The payment feature for your convenience accepts debit/credit card (Visa, Mastercard, American Express, Discover) or an electronic check.

You may *not* be able to renew your license online due to changes in operating entity, changes of corporate officers/directors, or relocation of your business. If that is the case, please complete the paper renewal form (see below).

Paper Renewal

All licensees will receive a paper renewal packet with forms A, B, and, C (with preprinted license data), D (alcohol server training information), E (financial spreadsheet), and the online instructions. If you are completing a paper renewal, please note that you only need to submit the renewal fee, Forms A, B, C, and E, and any background check documents and fees that are required. Background check information and instructions will be in the packet.

Forms A, B, and C will be pre-printed with data that you submitted for last year's renewal or in your initial application. You will only need to make changes to those forms if the data has changed or is incomplete.

Please remember, you must mail or hand in your completed renewal application by **Monday, February 1**. This deadline is set by the legislature and we cannot extend it. If you miss this deadline, you may not *renew*. You will have to *re-apply* for your license. This means you will have to pay for an additional application fee and initial license fee. Please do not wait until the last minute.

You may either hand deliver (by **6:00 pm on February 1**) the completed renewal or **we will accept a postmark up to and including February 1** as timely.

Follow-up

Either way you choose to file your renewal and after the renewal process, you may be asked by your compliance specialist to submit additional information such as local business/alcohol license(s), an ACORD type Certificate of Insurance (for general and liquor liability coverage), or alcohol server training records (form D).

If you do not receive renewal materials in the mail by the *second* week of January, please call (801) 977-6800 to obtain a copy of your license renewal packet and your online renewal ID number.

As a reminder, 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.

Tax Delinquencies

Licenses cannot be renewed unless tax delinquencies are cleared. The law specifies that, "Each applicant for a license and each licensee shall comply with all applicable federal and state laws pertaining to payment of taxes and contributions to unemployment and insurance funds to which it may be subject." (32A-1-123 Utah Code)

If you have a delinquency, you will receive a notice directly from the Tax Commission regarding sales tax or payroll withholding tax, the Labor Commission, Division of Industrial Accidents regarding workers compensation coverage, or the Department of Workforce Services regarding unemployment insurance tax.

If you have any deficiencies with these departments, they will let you know who to call and what you need to do to bring your account back into good standing.♦

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Download a copy of the newsletter at: http://www.abc.utah.gov/license_permit/newsletter_main.htm

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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 = 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	Elks, St George	1. Sale to minors (S)	1. 5 day license suspension
BE	Pappas Steakhouse, Woods Cross and George Pappas (employee)	1. Sale to minors (S)	1. Fine of \$1,000.00 plus costs
CL	Toad'z, Cedar City	1. Sale to minors & minors on the premise of a class "D" club (S)	1. Fine of \$1,000.00 plus costs
CL	Renegade Lounge, Beaver and Mia Thurgood (employee)	1. Untrained server (MI)	1. Written warning
RL	Aunt Sue's Chalet, Duck Creek	1. Unlawful sale & possession of out of state liquor (G) 2. Untrained server (MI) 3. No ID badge (MI)	1. 15 day license suspension 2. Fine of \$250.00 plus costs 3. Written warning
BE	Mi Rancherito, Delta and Susana Pena and Elia Pena (employees)	1. Sale to minors (S)	1. Fine of \$1,000.00 plus costs
RE	Paradise Inn/Garden of Eat'n, Fillmore and Juanita Levi (employee)	1. Sale to minors (S)	1. 5 day license suspension 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
 Whitney Hathaway - Gladstan Golf Course
 "Sherry" - Lumpy's Downtown
 Danielle Sims - Sportsman's Lounge
 "Bubba" - Sportsmans' Lounge
 Vincent Laguardia - Alpine Internet Café
 Troy Mattinson - Applebee's (St George)

Monica M. Salazar - Cheater'sLounge
 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
 Bradley M Wood - Circle Inn
 Chase W Watson - Winger's (Draper)
 Hank McHenry - Mynt Martini Lounge
 Richard McHenry - Mynt Martini Lounge
 Langford O Meeks - Mynt Martini Lounge
 James Souder - Hogs Breath Bar
 Alisha Bowling - Red Robin (Washington)
 Kristopher Richardson - Red Robin (Washington)
 Christina Hille - Chili's (Orem)
 Sherry Gerry - Ruby Tuesday (St George)
 Aresilvia Silva - El Mexicano #2

Guest Article...

Alcohol and Pregnancy Don't Mix

By Douglas Murakami, Utah Alcohol Beverage Control and
Lynn Tanner, Davis Family Advocate Program

The DABC, the Departments of Health, Human Services and the Commission of Criminal and Juvenile Justice have collaborated with the Utah Fetal Alcohol Coalition to carry out a campaign to reduce the number of women who drink alcohol during pregnancy.

Alcohol use during pregnancy is the leading **preventable** cause of mental retardation and birth defects in the United States. It increases the risk for Fetal Alcohol Syndrome (FAS) which includes fetal death, heart defects, facial changes, severe low birth weight, short stature, and brain damage that leads to learning and behavioral problems.

It is estimated that for every child born with FAS, three additional children may be born with 'effects of alcohol' called Fetal Alcohol Spectrum Disorders (FASD). Children with FAS and FASD often grow up with social and emotional problems, they are likely to have substance of abuse dependencies, struggle in school and become incarcerated.

According to The Lewin Group, considered the gold standard for determining health care costs, the average lifetime cost of caring for a child with FASD may be higher than \$2 million. The group also estimates the lifetime cost to the state Utah for medical treatment, special education, and home and residential care for children with FASD could be as high as \$27 million.

All State Liquor Stores have alcohol education cards in English and Spanish that are located on the counters at check-out stations for customers to take (have or take with them).

In addition, gallon-size liquor bags have the important message printed in English and Spanish that Alcohol and Pregnancy Don't Mix!

It is important to remember:

- No amount of alcohol is safe to drink during pregnancy.
- Fetal Alcohol Syndrome and Fetal Alcohol Spectrum Disorders are life-long and never go away.
- Fetal Alcohol Syndrome and Fetal Alcohol Spectrum Disorders are 100% preventable if women do not drink during pregnancy.



New Year's Eve and other Party Packages

by Neil Cohen

Here is our annual article about party packages.

Those who want to drink alcohol on New Year's Eve will most likely do so without any extra encouragement. We advise licensees who want to promote a "value added" New Year's Eve package (or any holiday package) *not* to emphasize the drinking part, but to promote the value in the food and entertainment (and in any lodging deal if it applies).

Licensees who are planning party packages for the holidays may *not* include, pre-sell, or give away alcoholic beverages as part of a package, because:

- The club and restaurant laws specifically require alcoholic beverages to be listed on a price list and sold by the glass or bottle.
- The advertising rules prohibit promotions that encourage over-consumption or promote increased consumption.
- Promotions are not allowed that require the purchase or consumption of alcoholic beverages in order to participate.
- Licensees may not engage in a promotion that offers free alcoholic beverages to patrons.

Remember:

- ☛ A "midnight toast", a bottle of champagne, or any other alcoholic beverages may *not* be included in the price of a New Year's Eve Package.
- ☛ Alcoholic beverages may not be pre-sold.
- ☛ Alcoholic beverages must be priced and charged for separately.
- ☛ A printed price list must be made available for patrons.
- ☛ All servers are required to be trained to keep track of the number of drinks served to a patron and not to over-serve a patron.

So our advice is to promote the food, festivities, favors, and fun. Be wise, do your best to keep your patrons safe, don't over-serve, and have a happy New Year. ♦



DABC administrative office hours:
Monday – Thursday, 7:00 am to 6:00 pm. Closed Fridays

DABC warehouse hours: Monday – Friday, 5:00 am to 2:30 pm

Liquor stores will be open regular hours Monday - Saturday; Closed Sundays and holidays





THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
PO BOX 30408
SALT LAKE CITY UT 84130-0408

Return Service Requested

PRSR STD
U.S. POSTAGE
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