



STATE OF UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

DABC, 1625 S 900 W, Salt Lake City, Utah 84104
<http://abc.utah.gov> Phone number (801) 977-6800

Legislative Update 2013

With all of the talk and speculation surrounding what the legislature *might* do to alter Utah liquor laws, there were only a few provisions that found their way into law from the 2013 legislative session that may have an impact on your operations and/or applications.

- 1) **Creation of a master license for full and limited service restaurants. These will apply to select 'chains' (5 or more locations) with a common ownership**
- 2) **Conditional license designation will now be allowed for all license applications, and an increase of the amount of time allowed for a build out increased from 6 months to 9 months.**
- 3) **Guests (non-members) may be allowed in fraternal clubs provided the by-laws of the fraternal organization allow for it, with certain statutory restrictions.**
- 4) **Intent to Dine - the safe harbor concept of "intent to dine" has been codified.**
- 5) **Transfer of Licenses – The effective date of the Transfer of License Act has been postponed to July 1, 2014.**



"Master Licenses" - Master Licenses were created for full and limited restaurants with common ownership of five or more locations, called "sublicenses."

A master license and each designated sublicense are considered one license for the purposes of the quota for the restaurant type. However, each sublicense is considered in the enforcement ratio which took effect in July of 2012.

- **Fees -**

- Initial licensing - application fee of \$330, an initial licensing fee of \$10,000 for a full service master and \$5,000 for a limited service master, plus initial licensing fees for any new locations.
- Renewal – The renewal fee for a full service master is \$1000 and \$500 for a limited service master – these fees are in addition to the renewal fees required for each sublicense
- Adding a sublicense - \$330 plus initial licensing fee.

- **Violations -**

- If there is a violation at a location covered by the master license, disciplinary action may be taken against the single location, staff of the location or a combination.
- Disciplinary action may be taken against the master license if, within a one year period, 25% of the locations have been found to have committed a serious or grave violation or at least 50% of the locations covered by the master license have been found to have any violation.

- **Prohibition on Product Transfer** - A master licensee may not transfer alcoholic products between different locations covered under the master license.

- **Separate Records** - Each location covered by the master license must maintain their own records on its premise.

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Legislative Update cont...

“Conditional Licenses” - A conditional license may be issued by the Commission if all requirements for the license are met, with the exception of the business license. The license becomes a “valid retail license” once the applicant submits a copy of the business license and satisfies the department that they meet the requirements for the license.

However, the conditional license expires if it does not become a valid retail license by the statutory period prescribed. The statutory period to become a “valid retail license” has been extended from six months to nine months with an additional three month extension in some situations. Additionally, conditional licenses are now available to all license types.

“Guests in Fraternal Clubs” - Fraternal clubs licensed as of July 2013 may permit guests, (with the exception of minors),

without a host if the club maintains 60% of its total club business from the sale of food and the practice is allowed in the bylaws of the fraternal club.

Additionally, **“Intent to Dine”** – For restaurants, the safe harbor concept of “intent to dine” has been codified. In practice, nothing changes. A server may still provide alcohol service once a confirmation of the patron’s intent to dine has been received by the server. However, compliance is working with the licensee advisory board to create an administrative rule that will provide clear guidance to licensees regarding the service with an order of food.

An advisory board meeting will be held in July. Licensees are welcome to attend. Please watch for notice of the meeting on Utah’s public notice website.

<http://www.utah.gov/pmn/index.html>

KIDS NEED PARENTS TO STAY ALCOHOL-FREE

As Utah’s children enter their teens, education alone is not enough to deter them from drinking alcohol. Kids face pressures and opportunities to drink. In addition, the brain area that promotes impulsivity and risk-taking develops early in a teen, while the good judgment area of the brain isn’t fully developed until the mid-twenties.

Because of persistent influences to drink from friends, peers and popular entertainment, kids need their parents’ help to stay alcohol-free. Research shows, parents who are actively involved throughout their kids’ lives, have a powerful influence on their children’s decision to remain alcohol-free.

Bonding, boundaries (like setting clear rules about “no alcohol use) and monitoring your kids, are key ingredients

for success. Kids report, “Parents are the number one reason why they choose not to drink.”

All parents want their kids to reach their potential! We urge all parents to help keep their kids alcohol-free.



For more information, please visit:

www.ParentsEmpowered.org

“...the good judgment area of the brain isn't fully developed until the mid-twenties.”



Infusion: Apples, Oranges and Lemons, *Oh MY!*

The DABC has received numerous questions regarding infusing spirits with flavor i.e. oranges, lemons, grapefruit, pear and peaches, herbs and spices to create a custom-flavored spirits. **Both Utah Code Annotated 32B (Alcoholic Beverage Control Act) and Code of Federal Regulations prohibit infusing liquor at the retail level.**

Under the Alcoholic Beverage Control Act, licensees may sell or provide a primary spirituous liquor only in a quantity not to exceed one and a half ounces per beverage dispensed through a calibrated metered dispensing system approved by the department in accordance with commission rules adopted under this title.

Code of Federal Regulations (CFR) requires all liquor to be dispensed from its original container or through a dispensing system where **there is no re-use or refilling of liquor bottles with any substance whatsoever.** The DABC commission adopts federal regulations 27 CFR 194 in Rule R81-1-9.

Commission rule R81-1-9 states dispensing systems must be calibrated to pour a quantity of spirituous liquor not to exceed one and a half ounces. **All dispensing systems and devices**



Infusion is NOT permitted at the retail level!

must avoid an in-series hookup which would permit the contents of liquor bottles to flow from bottle to bottle before reaching the dispensing spigot or nozzle; not to dispense from or utilize containers other than original liquor bottles; and prohibit the intermixing of different kinds of products or brands in the liquor bottles from which they are being dispensed.

If infused liquors may be in your future, there are many type of liquors are available through the state store system to satisfy your customers needs.

Free compliance training

We Want to Help!

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 consistent alcohol service to patrons.

Our training gives licensees and employees the opportunity for a one-on-one session with the DABC compliance team representative, to deal with specific questions and concerns... and there are clearly many questions and concerns!

We will tailor our training to fit your needs and schedule, and speak to your specific license type so that all members of your team are operating from the same understanding. If you are interested in having one of our Compliance Specialists present a training session to you and your staff, please call us at (801) 977-6800.

...and then there were 7

To bring the compliance team back to full staffing, David Weloth was hired by the department in February 2013 and thereby became the 7th compliance specialist.

Prior to this, he spent 28 years serving the citizens of Ogden, as an officer for the Ogden City Police Department.

In 2005 he began working full time as the Crime Analyst for Ogden law enforcement. During his last two years there, he was involved in the development and management of their Real Time Crime Center. He has worked extensively with Microsoft, Esri, and their business partners in the development of new and innovative programs and techniques for use in Law Enforcement.

Dave has been a great addition to the compliance team, and we welcome him to the DABC.

DABC

Director: **Sal Petilos**

Compliance Director: **Nina McDermott**

Newsletter Editor: **Steven Wallenda**

Contributing Editors and team members:

**Chris Johnson
Abe Kader
Stephne Hanson
Keith Zuspan
Margaret Hardie
Rob Hansen
Dave Weloth**

We're on the Web!

Visit us at:

<http://abc.utah.gov>

Club Store Ordering

Are you a Licensee located in or near the greater Salt Lake Area? Have you placed a recent order through the Club and Restaurant Store #33? Licensees, isn't it about time you were offered fast, friendly and accurate service---with a smile?

Store #33 can get your order placed, processed and ready for pickup in an extremely timely manner. Quick and competent, my professional and highly trained staff can take the hassle out of your product ordering. Serving Licensees is our specialty; it's what we do every day, all day. If we are out of a product, no problem, with the main warehouse located directly across the parking lot, we receive daily shipments and can fill orders by the next business day.

Online Orders

Select Store #33, located at 1675 S. 900 W. SLC, as your pickup location.

Phone Orders

Call (801)975-4035 during the hours of 8:00 to 5:00 Monday through Friday. Fax (801)975-4044 anytime.

Delivery an issue? There are multiple delivery services that pick up from our location and bring the product to you. Questions? Don't hesitate to ask. I'm happy to be of service to you.

Brian White – 801-975-4035
Manager
DABC Club and Restaurant Store #33

Utah Department of
Alcoholic Beverage Control
1625 S. 900 W.
Salt Lake City , UT 84130-0408



Customer Name
Street Address
City, ST ZIP Code