LICENSEE HANDBOOK

RESORT LICENSE

UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE SERVICES

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TO ALL LICENSEES

As a licensee of the Utah Department of Alcoholic Beverage Services, you are required to be aware of the responsibilities, procedures, and potential liabilities regarding the sale and service of alcoholic beverages.

This handbook has been prepared to help you with the lawful handling of alcoholic beverages. Please review this information and keep the handbook available for reference. This version of the handbook is current as of June 2022. Previously issued handbooks should be discarded as they may contain outdated information.

Our website (abs.utah.gov) has information about the liquor laws and rules with direct links to the complete code and administrative rules, as well as information about stores and agencies, products and prices, server training, and other interesting links. The website is regularly updated. Please review the website for information and services as they are developed.

It is our responsibility and desire to be of service and assistance. If you have questions after consulting the handbook, please call 977-6800, write or e-mail (dabscompliance@utah.gov) the compliance division of this department.
A Resort Liquor License

Allows the storage, sale, service, and consumption of alcoholic beverages in connection with a resort designated in the resort license.

Resort licenses run annually from November 1st to October 31st. License fees are not prorated, so full fees will be due even if a new license was issued at any time during the previous year. To apply for a resort license, a nonrefundable application fee of $300 is required plus the initial licensing fee of $10,000, which includes four required sublicenses. $2,000 is required for each additional sublicense. Sublicense additions added after the initial licensing will require another $300 non-refundable application fee plus $2,250 for each additional sublicense. All license renewals are due by September 30th every year. The renewal fee is $1,000 for each sublicense.

Be prepared to renew licenses beginning September 1st through September 30th annually.
**Resort Licenses** are limited to a quota of 4 licenses within the State.

Several places call themselves resorts and may hold different types of liquor licenses, but that does not necessarily mean they can be licensed as a resort licensee. Actually, very few places qualify for a resort license.

The Utah alcohol code specifically defines a resort as a location that has one resort building and that is affiliated with a ski area that physically touches the boundary of the resort building.

You need to understand the following definitions to determine if you qualify for a resort license:

A resort building means a building that:

- Is primarily operated to provide dwellings or lodging accommodations
- Has at least 150 units that consist of dwellings or lodging accommodations
- Consists of at least a 400,000-square-foot building that doesn’t include areas such as parking
- 50% of the units must be owned by a person other than the resort licensee

Dwelling means a portion of a resort building:

- Owned by one or more individuals
- Designated for use as a residence by one or more persons
- That may be rented out for a period of no longer than 30 consecutive days by a person who uses it for a residence

**A Resort License** consists of a general *Resort License* and four or more *Sublicenses*. A Resort may add sublicenses at a later date after the license has been granted, as well.

You must choose at least four of the following sublicenses and they all must be located in the resort building:

- Full-service restaurant
- Limited-service restaurant
- Beer-only restaurant
- Bar
- Tavern
- Beer recreational
- Hospitality amenity
- Resort spa
- On-Premise banquet
ROOM SERVICE

There are two ways to provide room service to your guests and residents. The licensee will need either to choose an on-premises banquet sublicense or apply for a type 4 package agency. A resort may also choose a type 1 package agency with type 4 privileges. However, a package agency is NOT available as one of the sublicenses. It must be applied for separately.

ON-PREMISES BANQUET:

To qualify for an on-premises banquet license you must:

- Be capable of hosting conventions, conferences, and food and beverage functions under a banquet contract
- Have an adequate kitchen or culinary facilities in the resort building to provide complete meals
- Have at least 1,500 square feet of function space consisting of meeting and/or dining rooms that can be reserved for private use under a banquet contract and can accommodate at least 100 individuals
  - The commission has the authority to waive the minimum function space size requirements in small cities or unincorporated areas of counties and towns
- Only serve alcohol from 10 AM to 1 AM. No alcohol service during the prohibited hours

The resort may provide room service using the banquet license and also have a type 4 package agency.

TYPE 4 PACKAGE AGENCIES:

The main difference in providing room service with a type 4 package agency versus a banquet license is that the type 4 package agency has no restrictions on time and may provide room service 24 hours a day.

DELIVERY TO THE ROOMS:

No minibars are allowed in the guest rooms or dwellings if they are being rented or leased.

- Room service of alcoholic beverages can only be delivered in person to an adult guest.
- Alcoholic beverages may not be left outside the guest room for retrieval by a guest.
- Alcoholic beverages may be provided by the drink. However, portion sizes and metered dispensing requirements still apply.
- Room service alcohol must be sold through the banquet license or type 4 package agency, and not the restaurant or bar sublicenses.
- Alcoholic products may be sold in sealed containers including the small 50-ml. bottles of liquor and 187 ml. wine bottles.
**RESORT SPA SUBLICENSE**

The spa sublicense is unique in that it can only be issued to a licensed resort and nowhere else. The spa has to be located in the resort building, and provide professionally administered personal care treatments such as massages, facials, and hair and nail care. However, the premises must be suitable for spa activities and the spa must not have barricades or conceal its (alcohol) operations. The spa must be locally licensed as a spa and treatment providers must be professionally licensed.

**THOSE WHO MAY BE ADMITTED INTO THE SPA:**

- Only a resident or a customer may be allowed into a resort spa.
- A minor may not be admitted unless accompanied by an individual 21 years of age or older.
- Minors can momentarily pass through the bar or lounge area while en route to another area of the spa, but may not remain or sit there.

**SALES AND SERVICE OF ALCOHOL:**

- All alcohol may be sold from 10:00 a.m. until 12:59 a.m. every day.
- Food has to be available at all times when an alcoholic product is sold or consumed.
- An alcoholic product may only be consumed at a table or counter and customers may never be seated at the dispensing structure (bar).
- A patron may not have more than two alcoholic products of any kind at a time.
- A resort spa patron may not have two spirituous liquor drinks if one of the drinks consists of the same liquor in the other drink. NO SIDECARS!
- The spa must remain open for one hour after the sale and furnishing of an alcoholic beverage until all individuals have left the spa, or during an emergency. During that hour, a person may only finish consuming one:
  - Single drink containing spirituous liquor
  - Serving of wine not exceeding five ounces
  - Serving of heavy beer
  - Serving of beer not exceeding 26 ounces
  - Serving of a flavored malt beverage
- A resort spa must have a written alcohol price list or menu that includes prices available for a patron to review at request. The alcohol menu must include any set-up charges, service charges, chilling fees, etc.
**OTHER SUBLICENSES**

Banquets, restaurants, bars, beer recreational, and any other type of sublicense must still follow statutes and rules for those specific license types.  Please go to our website at abs.utah.gov to find and download handbooks for the sublicense type you need to know more about.

**RESTAURANTS AND BARS IN THE SAME ROOM**

A resort licensee may have a bar and a restaurant in the same room under the following conditions:

Each premises must be clearly delineated by one or more permanent physical structures that separate the sublicensed premises, such as a wall, rail, or other architectural features.

1. There must be enough obvious delineation to the architectural feature so patrons KNOW that they are entering the bar.
2. Control measures must be in place so minors do not enter. Furthermore, anyone who appears to be 35 or under must have their ID scanned before entering.
3. A minor may momentarily pass through a bar to reach another location where a minor may lawfully be IF there is no practical alternative route to the location i.e. the bathroom. NOTE: This is the exception, not the rule.
4. A patron may not carry an alcoholic beverage from one sublicense to go to another area. Control measures must be in place to prevent patrons from entering or leaving with their alcoholic beverages.

**SUBLICENSES HELD ON THE SAME PREMISES**

Resorts that hold a restaurant, banquet, beer recreational facility, or hospitality amenity may share the same premises as long as they are NOT operating at the same time.

It is also required that a sign be posted in a conspicuous location at the entrance stating what type of license is currently operating in that space. The sign must measure at least 8 ½ by 11 inches.
DISPLAY OTHER SIGNS

A resort licensee must display:

**A Warning Sign** - The template may be downloaded from our website at abs.utah.gov

The warning sign contains two messages, each of which must be in a different font. It may be used as-is or custom-made, but the size of the sign and the size of the fonts may not be any smaller than the template. The color of the print does not have to be red, and the sign does not have to be white, but it has to be easily readable and posted in a prominent place on the banquet premises.

DABS and local licenses also need to be posted in a prominent place.

SALES AND CONSUMPTION HOURS

Each sublicense must follow the sales and consumption hours of their specific license type. Consumption hours are:

- For banquets, bars, beer recreational, hospitality amenities, resort spas, and taverns, all alcohol may be sold from 10:00 a.m. until 12:59 a.m. every day.

- For restaurant licenses: All alcohol specific to the license type may be sold from 11:30 a.m. until 11:59 p.m. Monday through Friday. On weekends, state or federal legal holidays, or for private events, alcohol specific to the license type, may be served beginning at 10:30 a.m.

There is an exception for beer, which is allowed to be served until 12:59 a.m. for all restaurant license types. For more detailed information, go to the license summaries on the DABS website for each specific license type.
RECORDKEEPING

Each sublicense is required to keep current, detailed quarterly records for expenses and sales of alcohol and food. The resort license is required to maintain at least 70% of its total business from the sale of food, which does not include:

(a) Mix for an alcoholic product  
(b) A service charge

Expensive wines in excess of $175 per bottle or $30 a glass or an individual portion of spirituous liquor over $30 are not included in calculating the food to alcohol ratio.

CAREFUL! Resorts Licensees whose food sales drop lower than 70% may have their license REVOKED.

Licensees who drop lower than 70% food sales for any quarterly period may be put on probationary status, during which time they will be closely monitored by their compliance specialist for food sales during the next quarterly period. Failure of the licensee to provide satisfactory proof of the required food percentage may have their license revoked by the DABS Commission.

Licensees who are substantially lower than 70%, or who have repeatedly been on a probationary status in the past, however, may be required to immediately come before the Commission and show why they should keep their license.

Dispensing liquor through an approved dispensing system is required for any licensee selling spirituous liquor. Dispensing records must also be kept and matched daily to the sales records of all primary liquor beverages sold. Spills, miss-clicks, returned beverages, etc. must all be accounted for on a dispensing record. Your DABS compliance specialist can help you with questions and formulating an appropriate form. Licensees shall maintain records for at least three years. Remember, falsifying records is illegal.

TEMPORARY CLOSURE OF MORE THAN 10 DAYS

You MUST notify your compliance specialist in writing at least seven days in advance if you are going to be closed for more than 10 days. Emergency closures may be granted by telephone. NOT DOING SO is an automatic forfeiture of the retail license. Failure to RE-OPEN by the approval date also results in automatic forfeiture.
**PURCHASE OF ALCOHOL**

- Spirits, wine, flavored malt beverages, and heavy beer must be purchased at the Utah state liquor stores or package agencies. Purchasing alcohol from outside of the state of Utah is unlawful.

**Procedures for ordering alcohol are as follows:**

- The licensee must call, fax, or order online in advance of pickup to allow department personnel sufficient time to assemble the order. Include your business name, DABS license number, and list the products by code number. You can find the code numbers on the DABS website.

*Please Note: Licensees may not pick merchandise directly off the shelves of a state store or package agency to fill their order.*

**Allow at least 4 Hours** for department personnel to assemble the order for pick-up.

When the order is complete, the licensee will be notified by phone and given the total cost of the order. The licensee may pay for the product in cash, company check, company credit card, or cashier’s check. You will have to examine and sign for the order before it leaves the store to verify that the product has been received.

**LIQUOR RETURNS**

Spirituous liquor may be returned by the licensee for the original purchase price if:

- The bottle has not been opened
- The seal remains intact
- The label remains intact
- The licensee produces the original cash register receipt

**NOTE** – Returned orders that exceed $1,000 will require a restocking fee of 10%. All spirituous liquor returned that is based on a single purchase on a single cash register receipt must be returned at the same time.

Wine and heavy beer may not be returned . . . unless it can be shown that the product was spoiled at purchase or otherwise non-consumable.
**BEER**

Beer must be purchased from beer distributors. Licensees must call and set up an account with the appropriate distributor for their area. Go to our website at abs.utah.gov for a list of distributors in your area.

Beer may also be purchased from any licensed Utah small brewer that manufactures beer. However, licensees may not purchase beer from any other retail outlet such as grocery or convenience stores, etc. for resale at the licensed establishment.

**ALCOHOL STORAGE**

Alcohol may only be stored in a designated place approved by DABS on the initial application floorplan. Any changes to the storage area(s) must first be approved by DABS.

Resorts may have one or more remote storage locations, or a centralized location, to serve all sublicenses. However, each sublicense must be able to separately account for its own alcoholic beverages when stored in a common location.

**NOTE:** Liquor, wine, and heavy beer storage must remain locked at all times when alcohol sales are not permitted. However, the licensee may open the storage area during hours otherwise prohibited for the limited purpose of inventory, restocking, repair, and cleaning.

**ALCOHOL DISPENSING LOCATIONS**

The resort may also have a remote dispensing system, meaning a system where the alcoholic beverages are stored in a single centralized location, such as the gun system. These types of systems distribute the alcohol through lines and/or hoses and may have separate dispensing heads at different locations. However, the system must be capable of accounting for the amount of alcohol dispensed to each location.

If sublicenses are in reasonable proximity to each other, the dispensing of alcoholic beverages may be made from another sublicense under the following requirements:

- Sales records must be able to record the amounts of each alcoholic beverage sold in any sublicense.
- The cost of alcoholic beverages must be maintained for each location.
- Dispensing of alcoholic beverages to each sublicense must be done only during allowed hours pertinent to that license type. Dispensing may not be made in any manner prohibited by the operational restrictions of that license type. For example, a restaurant sublicense would not be able to dispense liquor to a bar sublicense after midnight. For most resorts, if there is only one dispensing location, it may make sense to dispense from the bar sublicense so there are no conflicting hours.
**EMPLOYEES**

- A person’s willingness to serve alcoholic beverages may not be made a condition of employment.
- Any employee who sells, serves, dispenses, or handles alcohol 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 and must be worn above the waist.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.

*Employees can be FINED for violations as well as the licensee.* 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.

**Please be careful** off-duty owners or employees who have been drinking must not step back in and perform any on-duty type functions.

**TRAINING**

**DABS MANAGER TRAINING:** Manager training will be conducted by the DABS for the fee of $25 per manager. This training does not expire and only needs to be taken one time.

A manager includes owners and employees that act in a supervisory or managerial capacity over the furnishing of an alcoholic product or the employees who serve alcoholic products.

**EVERY MANAGER** must complete:

- The DABS manager training program as a condition of obtaining the DABS license.
- Any new manager must take the training within 30 days of hire.

**ON-PREMISE ALCOHOL SERVER TRAINING:**

**EVERY SERVER** and **EVERY MANAGER**, which may include owners, supervisors, and employees who serve alcohol (or manages those who serve alcohol) must take and pass an alcohol server training class every three years. The training must be completed within 30 days of hire. Go to our website at abs.utah.gov for links to state-approved training programs.
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** - NO paying to play a game of chance to win money or a prize. Licensees may not engage in or permit any form of gambling on its premises including contests or gaming schemes that require risking something of value for a chance of a return - including raffles, bingo, poker, etc.

- **Illegal Drugs** or drug paraphernalia - A retail licensee may not knowingly allow a person on the licensed premises to sell, distribute, possess, or use a controlled substance, or use, deliver or possess with the intent to deliver drug paraphernalia.

DISCOUNTING PRACTICES PROHIBITED

Alcoholic beverages may not be sold at a discount at any time. Also prohibited are other discounting practices that encourage over-consumption such as happy hours, two for one, all you can drink for a set price, free beer, or selling at less than cost.

A resort licensee or employee may not purchase an alcoholic beverage for a patron.

BAD CHECKS

The DABS may immediately suspend the license if it receives a bad check for payment for liquor, licensing or bond fees, fines and costs for violations, etc. A fee will also be assessed for bad checks and the licensee will be required to pay the full amount plus the fee.

ANY CHANGE OF OWNERSHIP

Any change of ownership must be reported immediately to the licensee’s DABS compliance specialist. It would be better to call ahead and discuss any ownership changes before doing so as some small changes can be done internally and others must go through a license transfer process and be approved by the commission.