

CONDITIONAL LICENSES

32B-5-205 (Retail Licenses), 32B-7-406 (Off-Premise), 32B-18-206 (Change of Ownership)

What is a conditional license?

A conditional license occurs when the DABS commission grants a license to the applicant “conditionally” even though the applicant still needs one or any of the following:

- The local business license(s)
- The bond
- Insurance – general coverage and liquor liability
- Menus
- Manager Training
- The DABS final inspection



Although the license has been granted, the conditional license holder is prohibited from selling any alcoholic products until the above conditions have been met. At that time, the DABS will release the conditional status and send you the original license to hang in a prominent place on the premises, and sales of alcohol may begin.

How long can a license be conditional?

It depends on the type of application submitted. The following three license types may be conditional:

1. Retail licenses - Retail licenses include:



- Airport Lounge
- Arena
- Banquet
- Bar
- Beer Recreational
- Hospitality Amenity
- Hotel
- Reception Center
- Resort
- Restaurants
- Tavern

A conditional retail license expires **18 months** after the day the commission issued it. If the licensee has not opened within that time, they may request an extended closure from the commission for an additional **six months** if the licensee can show to the satisfaction of the commission that:

- a. They have an active building permit for the premises, and
- b. They are engaged in a good faith effort to complete construction within the **six-month** period.

If at any time during the conditional period the licensee meets the requirements, DABS may issue a valid license to them. If they do not meet the expiration date, a new application would have to be submitted with all new fees and approvals from the commission.

2. Off-premise beer licenses:

A conditional off-premises license, such as a convenience or grocery store, expires **nine months** after the day the commission issued it.

The applicant may request and the commission may extend the time for this type of license for an additional **three months** if the licensee can show to the satisfaction of the commission that:

- a. They have an active building permit for the premises; and
- b. They are engaged in a good faith effort to complete construction within the **three-month** period.



3. Change of Ownership:



A license granted to a business doing a change of ownership must begin alcohol operations **within 30 days** after the commission approved the transfer. If they cannot, the licensee may request an **additional 30 days** from their DABS compliance specialist or an extension of

time until the commission holds its next regularly scheduled meeting. After that, the licensee may request and the commission may grant one or more extensions if the licensee can demonstrate to the Commission that:

- a. They have an active building permit for the premises (if required by the local jurisdiction), and
- b. They are expeditiously working to complete the improvements to the licensed premises, or
- c. The commission determines that circumstances beyond the control of the alcohol licensee negate the licensee's ability to begin operations in a timely manner.

If the transferred licensee does not begin operations within the time granted, the alcohol license and all associated licensing fees are automatically forfeited.