

LICENSEE HANDBOOK

HOTEL LICENSE



UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE SERVICES

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Website: www.abs.utah.gov

Effective Date June 2022

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 issued in June 2022. Previously issued handbooks should be discarded as they may contain outdated information.

Our website (www.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 HOTEL LIQUOR LICENSE



Allows the storage, sale, service, and consumption of alcoholic beverages on the premises of hotel restaurant, banquet, or bar sublicenses.

Hotel 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 hotel license, a nonrefundable application fee of \$500 is required plus the initial licensing fee of \$5,000, which includes three 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.

HOTEL LICENSES are limited to a quota of **80** licenses within the State.

HOTEL means a commercial lodging establishment with one or more contiguous parcels of real property and may have one or more privately owned dwelling units that:

- Are owned or managed by the same person and can direct or exercise control over the management of any building under the hotel license.
- Primarily operates to provide temporary sleeping accommodations for compensation with a minimum of 40 guest rooms
- Is capable of hosting conventions, conferences, and food and beverage functions under a banquet contract
- The hotel must have at least 1000 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 75 individuals.
- Hotels located in small counties, towns, or unincorporated areas may have the minimum required space waived if the commission determines there is an appropriate amount of function space consisting of meeting or dining rooms that can be reserved for private use under a banquet contract
- Provides room service within the boundary of the hotel and
- Has an adequate kitchen or culinary facilities on the premises of the hotel to provide complete meals.



A HOTEL LICENSE consists of a *general HOTEL LICENSE* and three or more *SUBLICENSES*:

1. One sublicense *must be an on-premise banquet sublicense*. Providing room service is required under the banquet license in a hotel.

ROOM SERVICE

Delivery of alcoholic beverages may be provided to adult guest rooms or privately owned dwelling units of the hotel. No minibars are allowed in the rooms. Alcoholic beverages:

- Can only be delivered in person to an adult guest.
- Alcoholic beverages may not be left outside the guest room or private dwelling for retrieval by a guest or resident.
- 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, and not the restaurant or club license.
- Alcoholic products may be sold in sealed containers including 50 ml mini-bottles and 187 ml wine bottles.
- The hotel may provide as room service one alcoholic product free of charge per guest reservation, per guest room, if the alcoholic product is not a spirituous liquor, is unopened, and not exceeding 750 ml.



2. REQUIRED: Choose at least one of the following sublicenses:

- a. A full-service restaurant
- b. Limited-service restaurant
- c. Beer-only restaurant
- d. A bar

**A Hotel License must
CHOOSE 3 sublicenses
(or more).**

3. Then choose another of the previous sublicenses listed, or you may also choose:

- a. Hospitality amenity
- b. Beer recreational
- c. Spa

More than 3 sublicenses may also be chosen, either at the time of the initial application or a later date after the license has been granted.

LARGE HOTELS can have up to three full restaurant locations, three limited restaurant locations, or 3 bar locations under one sublicense within a hotel if the hotel has a minimum of 150 guest rooms for the convenience of their guests.

SUBLICENSES

Banquet, restaurant, and bar sublicenses must still follow statutes and rules for those license types. Go to our website at abs.utah.gov to find and download handbooks for the sublicense type you want to know more about.

RESTAURANTS AND BARS IN THE SAME ROOM

A licensed hotel 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.

OPERATIONAL REQUIREMENTS

DISPLAY SIGNS – All sublicenses within the hotel must display:

1. The “Warning” sign – The template may be downloaded from our website at abs.utah.gov.

WARNING
DRINKING ALCOHOLIC BEVERAGES
DURING PREGNANCY CAN CAUSE
BIRTH DEFECTS AND PERMANENT
BRAIN DAMAGE FOR THE CHILD

CALL THE DEPARTMENT OF HEALTH AT
1-800-822-2229 WITH QUESTIONS OR MORE INFORMATION

WARNING
DRIVING UNDER THE INFLUENCE OF
ALCOHOL OR DRUGS IS A SERIOUS
CRIME THAT IS PROSECUTED
AGGRESSIVELY IN UTAH

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* (obviously, not behind the pickle jar or in the office) in each sublicensed premises.



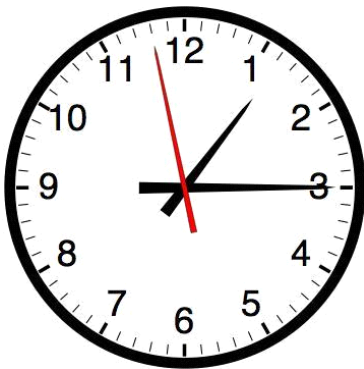
LOCAL CITY LICENSE

SOMEWHERE REC LLC
1234 SOMEWHERE STREET
SOMEWHERE CITY, UT 84000

2. Post the DABS license and the local licenses in a prominent place as well.

SALES AND CONSUMPTION HOURS

Each sublicense must follow the sales and consumption hours of the specific license type, such as a banquet, a full restaurant, a limited restaurant, a beer-only restaurant, or a bar.



- Bars and banquet licenses: All alcohol may be sold from 10:00 a.m. until 12:59 a.m. every day.
- 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, it is allowed to be served until 12:59 a.m. for all 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 Hotel 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; or
- (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. Licensees who

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

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.**



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 [HERE](#).

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.

**A licensee may sign up for
"ACH" ordering
ONLINE!
Contact DABS to get
signed up.**

LIQUOR RETURNS

Spirituos 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 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.

Beer may also be purchased from any licensed Utah small brewer that manufactures beer.

Licensees may not purchase beer from any other retail outlet (i.e. grocery or convenience stores, etc.) for resale at the licensed establishment.



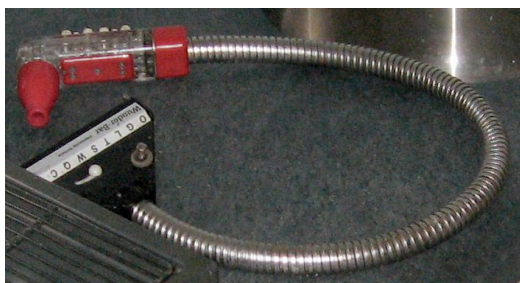
ALCOHOL STORAGE

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.*

Hotels 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 hotel 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 alcohol 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 hotels, if there is only one dispensing location, it may make sense to dispense from the bar sublicense so there are no conflicting hours.

TRANSPORTING ALCOHOL ACROSS SUBLICENSES

Hotel employees may transport alcohol from one sublicense to another as long as:

- It is within the licensed boundary of the hotel
- The sublicensed premises is licensed for that specific type of alcohol

For example, they cannot transport liquor across the premise of a beer-only restaurant.



TRAINING

SERVER TRAINING

Alcohol server training is required for all owners, managers, supervisors, and employees who serve (or manage those who serve) alcohol. They must take and pass an alcohol server training seminar every three years and must complete the training within 30 days of hire. Go to our website for information and links to state-approved training programs.



DABS MANAGER TRAINING

Managers must complete the DABS Manager Training Program as a condition of obtaining their DABS license. Any new manager must take the training within 30 days of hire.

- 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.
- Training will be conducted by the DABS and the fee is \$25 per manager.
- Manager training does not expire and will not have to be taken again.
- REMEMBER, managers must have BOTH the manager training and the server training.

**MANAGERS MUST TAKE
BOTH
ALCOHOL SERVER TRAINING
& MANAGER TRAINING**

ANY CHANGE OF OWNERSHIP

It is best 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 of license process and be approved by the commission.

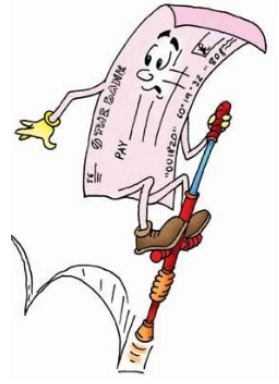


Any ownership changes to the entity or individual who holds the license is required to be reported to the assigned DABS Compliance Specialist within 60 days of the change. However, it is important to note that any closure of 10 days or more of the current licensee must be approved by the DABS, otherwise the license may be forfeited.

If the buyer will be performing the day-to-day operations of the business and intends to continue to sell alcohol before the commission approves the transfer of the license, both parties must first enter into an interim management agreement that must be approved by the DABS.

BAD CHECKS

The DABS may immediately suspend the license if it receives a bad check as 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.



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

