



**LIQUOR LICENSES:
What You Should Know!**

Black Canyon C.L.O.U.T.
and
Phoenix Police Liquor Enforcement Detail

“Working together to solve community liquor problems!”

FOREWORD

HOW CAN LIQUOR LICENSES IMPACT YOUR NEIGHBORHOOD?

This information comes to you from those of us who began as novices in pursuit of the truth behind liquor licenses (which is often very elusive). It is our hope that this booklet will provide you with easy access to information and tools to assist you in reaching your conclusions as to the suitability of an applicant and the business the applicant plans to bring into your neighborhood. This booklet will guide you as you decide whether to oppose, support or remain neutral regarding a liquor applicant in your neighborhood. In addition, you will find proven strategies for success, should you decide to oppose an applicant. As you begin the process, be prepared to encounter many surprises!

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LIQUOR LICENSES 101

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LIQUOR LICENSES 101

How do I find out information about a liquor license application in my neighborhood?

- The City Clerk mails notice to all registered neighborhood groups within one mile of a liquor license application location.
- A Notice is posted on the property for 20 days. It is a large, bright neon green sign. You have 20 days to protest. The Notice contains:
 - License #
 - Response Date
 - Phone #'s of applicants
 - Names of applicants
- Join the CPCA email list by Bill Burch (see Resources). You will receive everything. Just delete what isn't applicable to your area.

What do I do now?

- Get a copy of the entire application from the State Liquor Department at 800 W. Washington, 5th Floor.
- Tell the Customer Service Representative which neighborhood association you are with. There is no charge for up to 10 pages. The parking is free!
- Review the application.

What am I looking for on the application?

- Section 1 – Type of license
 - What kind of application?
 - New
 - Interim
 - Person Transfer
 - Location Transfer
- Section 2 – Type of ownership
 - Make sure the applicant has filled out all applicable sections.

- Section 3 – Series – Type of License
 - Series 01 In-State Producer
 - Series 02 Out-of-State Producer
 - Series 03 Domestic Microbrewery
 - Series 04 Wholesales
 - Series 05 Government
 - Series 06 Bar (All spirituous liquor)
 - Series 07 Beer and Wine Bar (Beer and wine only)
 - Series 08 Conveyance (Airplanes, Trains, Boats)
 - Series 09 Liquor Store (All spirituous liquor)
 - Series 10 Beer and Wine Store (Beer and wine only)
 - Series 11 Hotel-Motel (with restaurant)
 - Series 12 Restaurant
 - Series 13 Domestic Farm Winery
 - Series 14 Club (Private)
 - Series 15 Special Event (Temporary License)
 - Series 16 Wine Festival/Wine Fair
 - Series 17 Direct Shipment License

- Section 4
 - Applicant/Agent's Name
 - Is it consistent throughout the application?

 - Corp./Partnership/L.L.C.
 - If a corporation – is the license pending or existing?
 - Research the corporate name – Arizona Corporation Commission website: (www.cc.state.az.us)
 - Find out if any other names are attached with the corporate name.

 - Business Name
 - Is it consistent throughout?
 - Has the applicant owned, managed, or even worked at a bar or restaurant?
 - Is there an obvious connection to any other names on the application?
 - Is there a connection to names that you have seen on other applications that you have viewed in the past?

 - Business Address
 - Research ownership at County Assessor's office
 - If in a different name, it's a serious inconsistency. Document in a letter.

 - Business Phone and Residence Phone
 - Call phone #'s listed. It may be fake or disconnected.

- Is the business located within incorporated limits of the city of Phoenix?
- Mailing address – if different from the location address, research the address.
- Ownership - Does the applicant rent or own their residence. This may be clue to front money.
- Amount paid for the license (especially important if it is a Series 12)
 - Series 12 is restaurant – cost is \$229.00 vs. \$150,000 or more for a Series 6
 - Series 12 requirements: 40% of revenue has to come from food
- Section 5 – Interim Permit
 - Cannot sell liquor unless the business has an Interim Permit or if the previous ownership maintains operation until the new owner gets a license. A serious violation exists if the applicant sells liquor without an Interim Permit (before the permanent license is issued).
- Section 6 – Individual or Partnership Owners
 - Research all names and addresses listed.
- Section 7 – Corporation/Limited Liability
 - Research information at Arizona Corporation Commission website for accuracy.
- Section 8 - Club Applicants
- Section 9 – Probate, Will Assignment or Divorce Decree
- Section 10 - Government
- Section 11 – Person to Person Transfer
 - Research all information for accuracy
- Section 12 – Location to Location Transfer
 - Applicants cannot operate under a location transfer until it is approved by the state. The current owners can maintain ownership there is an existing license at the location and the current ownership maintains control.
 - Is the applicant operating prior to the issuance of the license at new location? If so, serious violation!
 - When does the applicant plan to open? Make sure the applicant is not operating (selling alcohol) prior to State Liquor Board approval.
- Section 13 – Distances
 - School – if less than 300 feet, and there is no existing liquor license at the location it fails the criteria for a Series 6, Series 7, Series 9, Series 10 or Series 14. Verify information on application.
 - Church – if less than 300 feet, and there is no existing liquor license at the location it fails the criteria for a Series 6, Series 7, Series 9, Series 10 or Series 14. Verify information on application.

Miscellaneous information:

- Is applicant
 - Lessee?
 - Sub-lessee?
 - Owner – may own business, but does applicant own property?
 - Purchaser?
 - Is there a penalty if the lease is not fulfilled?
 - Length of lease?
 - Verify information provided on the application. If applicant provides incorrect information, it should be a red flag!
 - What type of business will this license be used for?
 - Financial
 - Investigate any and all members of LLC or corporation.
 - Source of income to operate?
 - How much is the rent?
 - How many employees?
 - Liquor costs?
 - Total business indebtedness
 - Cost of lease
 - Where did money come from?
 - Mortgage home?
 - Savings?
 - Loan – find out who from and their involvement.
 - Other creditors – if more than 10% interest, they have to be listed
 - If restaurant
 - County Health issues?
 - Menu – food and price in line with location & environment?
 - Is the restaurant equipment professional level?
 - Number of employees compares with menu, etc.
 - Business plan
 - Look at other means of support such as other liquor establishments
 - License denials (State Liquor Board)
 - This location
 - Other locations
 - Restaurant operation plan
 - 40% of gross revenue has to be from food sales
 - Zoning – are all use permits obtained
 - Development Services – do they have the correct certificate of occupancy
- Section 14 – Restaurant or Hotel-Motel Applicants
 - Restaurant or hotel
 - Valid license – name and #

- Applied for interim permit?
- Section 15 – Diagram of premises
 - Restaurant – are there tables, chairs, restaurant equipment
 - Are their stages and dressing rooms if so it might be an adult business
 - ADA equipped
 - Parking – is it adequate
- Section 16 – cross check all information that the applicant provides. It is frequently inaccurate!

RESOURCES

Surrounding Neighborhood organizations make an excellent resource. Other resources include:

State Liquor Department
 800 W. Washington, 5th Floor
 Phoenix, AZ 85007
 602-542-5141
www.azliquor.gov

Maricopa County Assessor's records – ownership – look up by address
 Website: www.maricopa.gov/Assessor
 Address: 300 W. Jefferson – 1st floor
 Phone #: 602-506-3406

Existing license (if there is one) – liquor violations
 From State Liquor Department – these are not available on website
 800 W. Washington, 5th Floor
 Phone #: 602-542-5141
www.azdll

All individual and corporate or business names on application
 Criminal activity – Maricopa county website <http://www.superiorcourt.maricopa.gov/>

Civil activity – Superior Court website www.superiorcourt.maricopa.gov/docket/civil
 If you find anything, you can look at case files that are stored at
 601 W. Jackson (602)506-3360
 Free parking – just tell guard you are researching case files

Welcome. The Arizona Judicial Branch is pleased to offer Public Access to Court Case Information, a valuable online service providing a resource for information about court cases from 142 out of 180 courts in Arizona. Access information includes:

- detailed case information, i.e., case type, charges, filing and disposition dates
- the parties in the case, not including victims and witnesses
- the court mailing address and location

**NEW! MARICOPA COUNTY SUPERIOR COURT VICTIM/CASE
NOTIFICATION**

Notice of Disclaimer

This web site is provided to the citizens of Arizona as a resource for information on historical and current court cases. should be used only to gain a general understanding of a listed case's status. information displayed is not the official record of the court, and not all cases from a participating court or all charges in a particular case may be included. Arizona judiciary, including its courts, divisions, officers, and employees, is not responsible or liable for any loss, consequence, or damage resulting directly or indirectly from the use of this information. you want to find out more about a case, or feel information is in error and should be corrected, please contact the local court where the case is filed.

[Click here for our Public Access to Court Information](#)

To see which courts have case information in the Public Access to Court Information site view the two links below:

[List of Courts Included](#)

[List of Courts Not Yet Included](#)

Data available on this web site is updated frequently and can be provided via electronic media for an annual subscription fee. If interested, please email PA.Support@courts.az.gov.

Corporation Commission – website starpas.cc.state.az.us

- Look for pending and existing – cross check names for commonality

Please see addendum for Mayor and City Council contact information. You will also find other resource contact information there as well.

INTERVIEW PROCESS – WHAT TO EXPECT

- Set up interview with any and all applicants
- NEVER ATTEND ALONE!
 - You need both male and female participants
 - Mentors may be willing to attend
 - Ask other neighborhood leaders
- NEVER MEET AT YOUR HOME!
 - Meet at the restaurant or bar if appropriate
 - Inspection
 - See applicant in his environment
 - If applicant's location is inappropriate, meet at a neutral site
 - Restaurants sometimes have meeting rooms – CALL TO SCHEDULE
- Interview questions – attached
 - Ask any other questions that occur to you – no question is wrong or illegal

If this is an applicant that you want to support, you can use this interview as a way to establish a good relationship between your neighborhood and applicant, in case things go sour in the future. Let the applicant know what the neighborhood expects – what you feel being a good neighbor is. You want the applicant to come to a neighborhood meeting, if possible, so that all of your residents may ask questions. Most applicants will not do this.

Ask the applicant if he or she will sign a Stipulation Agreement. This creates some leverage for your neighborhood, and impresses the applicant that you are serious.

You also want to review the liquor license (if approved) with the applicant from time to time to make sure that the bar or restaurant is not causing damage to your neighborhood or incurring liquor violations. Friendly reminders go a long way towards preventing issues before they begin and curing them if they occur. If you need to involve a liquor liaison detective from your police precinct, do not hesitate. Even your councilperson should be willing to help facilitate a meeting if a situation becomes seriously bad for your neighborhood.

All interviewers need to meet prior to the interview with the applicant, either ½ hour before at the site chosen or a different date and time. Make sure everyone involved (except applicant) has a copy of the questions. Decide who will ask which questions. After meeting with the applicant (applicant has left), immediately discuss impressions and initial reasons to support or protest application. Write these down. Tape your interview. This is your only proof that anyone said what they said. Many times the applicant will make statements at City Council and Liquor Board hearings that are entirely different from what they made at your interview.

If there is time to do so, review the committee's impressions and recommendations with your neighborhood. Otherwise, have the neighborhood elect one person as the neighborhood representative that will respond to deadlines to support, oppose or remain neutral. This person will write and send letters to City Council, State Liquor Board, etc. This person will also appear on behalf of the neighborhood at the hearing to testify.

Work with your precinct's Abatement Officer or CAO, and/or Liquor Liaison Detective.

CRITERIA GUIDELINES

Support or denial of the liquor license applicant by the City Council or Liquor Board is based on 12 criteria. If you choose to protest, you will need to provide arguments for every single criterion the applicant fails to meet. If you have done the research, it will be easy! Any time you can show 7 or more criteria that the applicant fails to meet, you will most likely win your case. In most of the West-side areas, it is very hard not to show failure of at least 6 criteria.

Honestly, the applicant is not going to be prepared for all of your arguments or even believe that you completed this much research that supports your arguments. Most of the applicants (generalizing) think that the neighborhoods are not sophisticated or intelligent enough, or worse yet, too lazy to generate a successful opposition to their liquor license application. Many years of ignoring and not protesting applications has instilled this attitude in the community of people that apply for liquor licenses. If you pick the application apart and cross-check all information the applicant has provided, you will find the applicant may also demonstrate some or all of the following:

- Lack of knowledge of the area (hastily filled out application – use it)
- Sloppiness (again hastily filling out application – use it)
- Errors of omission
- Errors of misstatement

If information is not correct (cross-reference with tape of the interview) – use it to show that the applicant will not be a good candidate to operate a liquor license or maybe even operate a regular business if the applicant can't even fill out the application correctly. You won't really state this in your protest letter, but the more items you show that are inconsistent or incorrect, the worse the applicant looks. Many applicants think that the State Liquor Board will rubber-stamp approval because it has been this way for so long. Part of our job when we protest the application is education; of the applicant, City Council and State Liquor Board.

If you choose to support an application, also please write 1 letter on behalf of your neighborhood and go to the City Council hearing to voice that support. It is imperative that you do this to establish credibility with City Council. You will not win every liquor license opposition, but consistency is important. You will establish strong relationships with the Council members the more times testify.

Criteria – City Council Review – Gives weight to neighborhood input

- Background/Qualifications of applicant
- Zoning is appropriate for business and all permits obtained
- Not within 300 feet of church or school (daycare/preschool)
- Neighborhood criminal statistics and other factors
- Use all other criteria, as well
- City of Phoenix Liquor License Detectives' opinions considered

Evidence Liquor Board Considers

- Testimony and evidence heard at City Council meeting
- Signatures on petition
- Liquor violations
- Evidence given to Board 2 weeks before hearing
- Testimony of protestors and applicant at hearing

Evidence Liquor Board Considers Depends on Type of Transfer

- New application – all criteria
- Series 6, 7 or 9 to new owner at same location
 - Owner background and qualifications only
- Series 6, 7 or 9 to new location
 - All criteria
- New license at pre-existing location (other than 6, 7 or 9)
 - All criteria but some deference to location
- Owner background and qualifications:
 - Is applicant a U.S. Citizen?
 - Is corporation/partnership/business qualified to do business in Arizona?
 - Has applicant had a liquor license revoked within last year?
 - Does applicant have a felony conviction within last 5 years?
 - Does applicant have a qualified manager?
 - Many applicants have a bartender(s) they call a manager(s) which is not good

Liquor Board Standards

- New application
 - If City Council disapproves by 2/3 vote, Liquor Board must pass by 2/3 vote
- Series 6, 7 or 9 to New Owner at Same Location
 - Even if City Council disapproves by 2/3, Liquor Board can pass with simple majority. Presumption location has already been approved, and only owner's qualifications at issue
- Series 6, 7 or 9 to New Location
 - No previous license or different series #
 - If City Council disapproves by 2/3, Liquor Board must pass by 2/3 vote
- New License at Pre-existing location
 - Not 6, 7 or 9
 - Even if City Council disapproves by 2/3 vote, Liquor Board can pass with a simple majority. Presumption location has already been approved; however, both owner's qualifications and location criteria are at issue.

Criteria #1. Petitions and testimony from persons in favor of or opposed to the issuance of a license which reside in, own or lease property in a one mile radius.

- Get individuals to write letters
- Your neighborhood association letter of protest
- Businesses
- Churches
- Schools

Criteria #2 – Saturation. The number and series of licenses in close proximity (saturation).

On application – look at it closely – applicants sometimes leave out important information – download the master liquor license database (Excel file) from the website www.azll.com and sort for yourself.

Saturation

- How many of this series # license already exists
 - on same street – ¼ mile – names and addresses
 - ½ mile radius – names and addresses
 - 1 mile radius – names and addresses
 - 2 mile radius – names and addresses
- How many of all series # licenses exist
 - 1 mile radius – names and addresses
 - 2 mile radius – names and addresses
- Comparison of saturation of liquor licenses
 - 5 years ago
 - 1 mile radius – names and addresses
 - 2 mile radius – names and addresses
 - 10 years ago
 - 1 mile radius – names and addresses
 - 2 mile radius – names and addresses

Criteria #3 – Evidence that all necessary licenses and permits have been obtained from the State and all other governing bodies.

- Are all necessary licenses obtained?
 - Certificate of occupancy
 - Use Permit – dancing
 - Use Permit – live music
 - If restaurant
 - County Health Permits

Criteria #4 – The residential and commercial population of the community, and its likelihood of increasing, decreasing or remaining static.

Census information – www.census.gov

Population comparison
5 years ago
10 years ago

Homes owned
Homes rented
Apartment units

Criteria #5 – Residential and commercial population density in close proximity.

1 mile radius
of residents
of businesses

1 mile radius
of homes owned
of homes rented
of apartment units

Criteria #6 – Evidence concerning the nature of the proposed business, its potential market and its likely customers.

Talk to surrounding businesses
Talk to applicant

- does he know demographics
- where his patrons will come from
- does he have a business plan

Once you have met with applicant(s), you will get a sense of who they are

- Ask interview questions
- Write answers down
- Review with all interviewers

Criteria #7 – Effect on vehicular traffic in close proximity.

Traffic

- How much more traffic will it bring to the area?
- DUI/DWI issues

Parking

Criteria #8 – The compatibility of proposed business with other activity in close proximity

- Parking
- Traffic

Criteria #9 – The effect or impact of proposed premises on businesses or the residential neighborhood whose activities might be affected by granting the license

Schools

- Will it harm schools
- 300-foot limit
- Children that may walk by to and from school
- Conflict of hours open

Churches

- Distance from
- Appropriateness
- Conflict of hours open

Day Care Facility

- 300-foot limit

Residents

- Vandalism
- Crime
 - Violent
 - Property Crime
 - If more than double the city average considered not good
 - City Council will give heavy consideration
 - Will this liquor license lower or raise your area's average – residents may be paying high property insurance rates
- Traffic
 - Parking
 - Noise

Effect on businesses

- How it will harm or not harm surrounding businesses
- Canvas businesses
 - They will tell you if it will harm their business
 - Let them know of their opportunity to protest
 - Give info
 - Deadline date

- Address to send letters to
- Date of City Council hearing

Criminal activity

- Can't hold license if any applicant is a felon

Criteria #10 – Liquor Violations. The history for the past 5 years of liquor violations and reported criminal activity at proposed premises provided that applicant has received a detailed report(s) of such activity at least 20 days before the hearing by the Board.

You can get the list of liquor violations from State Liquor Department - Records

What are they?

- Liquor
- Drug
- Sexual

Prevention

- Is there a plan to prevent further violations?
- Has staff taken liquor training classes?
- If not, when will they?

Criteria #11 – Comparison of the hours of operation of proposed premises to the existing businesses in close proximity

- Businesses
- Schools
- Churches

All of the above is a lot of work – it will take time, however, once you have researched it one time, this will be less time-consuming in the future. Compile a master list of all churches (with names, addresses, phone #'s and contact name), schools (with names, addresses, phone #'s and contact name) and businesses (names, addresses, phone #'s and contact name). Once you have the census data, this won't change within 1 year. This will be a great timesaver for future liquor license applications.

DEADLINES

City Council Hearing – Initial Notice – 20 days from Date Application Filed

If you do not have enough time to meet with the applicant, you may send a provisional protest letter if you think that you will protest. Let your Council Member know that you are doing this and why. You may have so many liquor license applications, there is no way you can look at all of them within the 20-day protest time.

If there is no neighborhood protest, the State Liquor License Investigator and Liquor Detective may not give you any support. A large part of their support comes when the neighborhood protest is given.

State Liquor Board – 15 days after City Council Hearing

The State Liquor Board will allow anyone (resident within 1 mile, neighborhood association within 1 mile, business within 1 mile, church within 1 mile, school within 1 mile) to support or oppose if a letter of protest or support is on record by the deadline date. If anyone supported or protested at City Council meeting, you are able to support or protest at State Liquor Board.

Continuing a Deadline Date

Either an applicant or a neighborhood can ask for a deadline date to be continued.

Reasons for this:

- Not enough time to interview applicant;
- Applicant hasn't responded to request for interview;
- Neighborhood hasn't had time to make a decision to support or protest or remain neutral
- Contact your councilperson and make a request, including the amount of time you are asking for; i.e., one week, two weeks, etc. Also contact License Services (602) 262-7003.

WRITING YOUR LETTER OF SUPPORT OR PROTEST

You've done a lot of research – how do you put it down in words. Attached are examples of previous letters with attachments that will help you. Put your work in your own words – you want to convey the passion you have for your decision. Please note that you only get two minutes in front of City Council.

Introductory paragraph – requirements

- State your name
- Who are you representing? Neighborhood or yourself
- State your authority to representing neighborhood
 - Elected officer or board member
 - Neighborhood unanimously authorized you in a general meeting – see letter
- State your neighborhood's boundaries and that you are within a mile of proposed
 - Liquor license application
 - Summarize which criteria that you feel applicant has failed to meet;

- (i.e., We believe that applicant has failed to meet 9 of 11 criteria (list #'s here).
- State whether you are supporting or opposing the liquor license applicant

Main Body-arguments

List all arguments in Criteria form - #1, #2, etc. (See letter from Alhambra Neighborhood re: Teasers). This will help you to write and formulate your arguments one at a time. You have a lot of information to put down. Put raw information down, then edit a little at a time.

Conclusion paragraphs

- Impressions from interview
- Summarize in one sentence that applicant failed to meet certain criteria; (i.e., applicant has failed to meet 9 of 11 criteria (list the # of the criteria that failed to meet).
- State whether you are supporting or opposing liquor license applicant

Write your letter. Set it down, and do not look at it for at least 1 day. If you have thoughts, put notes down. Edit your work, adding new thoughts or deleting. Ask at least 4 people to edit your letter. This is not meant to be a critique of your work – it is a team effort to help your letter be concise, clear, factually-accurate, strongly-worded and grammatically correct. For instance, I have 1 person who edits my letters from a management viewpoint, 1 from a grammatical viewpoint (is it clear, does it make sense), 1 from an accurate representation of the neighborhood's position, and 1 from a strength (wording) viewpoint.

You want the City Council and State Liquor Board to be able to understand immediately what your argument is. Lack of clarity will only confuse them. They may not even read the entire letter. By having others edit the letter, you will have a well-thought out protest that is credible and articulate.

Attachments

Attachments are essential to this letter. Attaching the supporting documentation means that the City Council members and State Liquor Board members will immediately be able to look at the research you found to support your argument. As such, they will most likely not question the information or your argument. It will give your letter tremendous credibility.

- Always use a copy of the attachment – never the original.
- Mark on attachment what liquor license number it is (in letter and on top of attachment).

WHAT'S NEXT

Getting people to City Council hearing

- Call Council Member's assistant to find out when, where, what time or visit the City of Phoenix website
- Agendas for each City Council hearing are listed at <http://phoenix.gov/FAGENDAC/agentoc.html>
- This information may be on the notice on the business, as well
- Announce at your neighborhood meeting
- Phone all contacts in neighborhood that you have
- Set up carpools
- Time parameters
 - 1 hour maximum at hearing
 - Liquor license applications are first on agenda

After City Council – what to do depending on how they vote

Support - you may protest at State Liquor Board – vote requirement is simple majority

No Approval – you may protest at State Liquor Board – vote requirement is 2/3 majority vote

No Recommendation – no good – it carries no weight for percentage of vote – you may protest at State Liquor Board – vote requirement is simple majority

You want to get together with the assigned City Prosecutor at 602-256-3506. They are a valuable resource for you to begin preparing for the State Liquor Board hearing. There will be a deadline date to get in protest letters (15 days after City Council decision). Remember that you can submit your State protest at the same time as your City Protest.

State Liquor Board Hearing

Deadline to protest – 15 days after City Council decision

Protest Process

City liquor protests are mailed or brought to:
City of Phoenix
License Services/10th Floor
200 West Washington Street
Phoenix, AZ 85003; or
Faxed to: (602) 534-9345

They can also be e-mailed to the License Service Supervisor no later than 5:00 pm on the 20th day. The e-mail address can be found on the addendum which is attached.

Direct city protest questions to:
License Services
(602) 262-4638 option 3

State liquor protests are mailed or brought to:
AZ DLLC
800 W. Washington St., 5th Floor
Phoenix, AZ 85007
Faxed to: (602) 542-5707

They can also be e-mailed to the AZ DLLC no later than 5:00 pm on the 15th day. The e-mail address can be found on the addendum which is attached.

Direct state protest questions to:
State Liquor
(602) 542-5141

MENTORS

People who have previously opposed or supported liquor license applications are extremely knowledgeable of the ins and outs of the process. While you can't expect any of them to do the work for you, they can be very beneficial to point you to resources, answer questions, attend interviews, etc.

Reasons to call:

- I need someone to attend an interview with me.
- Did I draw the correct conclusion from the information on the application?
- What does specific information mean? How do I use information in my argument?
- I'm confused. My brain is bursting. Will you help me sift through what is necessary?

LIQUOR LICENSE INTERVIEW QUESTIONS

Application name and #:

Date:

Location of meeting:

Who is attending:

- 1) Would you please tell us about your background?
- 2) Do you have experience owning and operating a bar?
- 3) How did you happen to choose this industry?
- 4) Have you had any liquor training? If so, when?
- 5) If not, do you plan to take the classes offered?
- 6) Has your staff taken the training courses? If so, when? If not, do you plan that they will?
- 7) What will be your involvement in the day-to-day operation of the bar?
- 8) You indicated on your application that you plan to be present _____ hrs. daily, which hrs?
- 9) Who will be in charge/managing when you are not present?
- 10) What experience does that person have?
- 11) Will any of your family members be involved in operating the bar?
- 12) What attracted you to purchase this particular bar?
- 13) What are your plans/concepts for it?
- 14) How will you compete in an area already saturated by a large number of bars?
- 15) How do you plan to attract and maintain a stable customer base?
- 16) Who are your targeted customers/demographics?
- 17) Where and how will you advertise?
- 18) What kinds of alcohol will you offer? Imported beers, etc.
- 19) Will you be offering drink specials? If so, what do you have in mind?
- 20) Do you or will you be serving food? Do you have a sample menu?
- 21) Do you have indemnity/liability insurance?

- 22) Who provides your insurance? (get name, address and phone # of company and agent)
- 23) Do you currently have Karaoke, if not do you plan to do so?
- 24) What are your capital sources for purchase of the business and liquor license and ongoing expenses/lease, employees, etc.
- 25) What is your break even point?
- 26) Do you plan to have any type of security? If so, what?
- 27) Are you aware that this is a high crime area and just to the West of the (VIP) Violence Impact Area so designated by the Phoenix Police Dept?
- 28) Your application indicates that you plan to apply for both dancing and live entertainment permits. Tell us about that.
- 29) If no previous experience, Who will your mentor be, or who is your mentor? (Get name, address and phone #)
- 30) Will you have a D. J.?
- 31) If liquor violations, how do you plan to prevent these in the future?
- 32) What will you do if your liquor license is denied?
- 33) Signage – additional – what will it look like, where will it be – how many?
- 34) Do you have any relationship or affiliation with any one on the State Liquor Board?
- 35) Do you own other bars or restaurants?
 - If so, list names, addresses.
 - If so, how long owned?
 - If so, who manages?
 - If so, list violations?
 - If so, ask questions _____ through _____.

Other concerns:

APPENDIX

TITLE IV

You may find Title IV at <http://www.azll.com/laws.htm>.

NEWSPAPER ARTICLES, ANCILLARY INFORMATION ARIZONA STATE LIQUOR BOARD

The State Liquor Board is a separate entity from the Department of Liquor Licenses and Control (DLLC); however, the Board is housed with the DLLC and has provided one staff member to prepare Board schedules, hearing notices, Board records, Board expenditures, Board hearings, preparation of agendas, issuing Board orders, etc. The State Liquor Board is responsible for hearing and ruling on all liquor license applications that are protested by the public, governing body of a city, town or county, or the Director. The Board may also cause a protest of an application. Additionally, an aggrieved party may appeal certain decisions of the Director to the Board for their review.

Members of the State Liquor Board are appointed by the Governor and confirmed by the Arizona State Senate. A.R.S. Sections 38-211 and 4-211 set forth the requirements for appointment and confirmation.

There are seven members who are appointed for a three-year term. The terms expire on the appropriate third Monday in January. There are no more than two members from the same county and no more than four members from the same political party. At least six members cannot be directly or indirectly financially involved in a business that is engaged in spirituous liquor. One member shall currently be engaged in the liquor business. The members elect the chairman and vice-chairman annually.

STATE LIQUOR DEPARTMENT FORMS

These forms can be found on <http://www.azll.com/laws.htm>.

- ACT OF VIOLENCE
- ACTIVE INACTIVE STATUS
- AUTHORIZATION FOR ALCOHOL ON UNLICENSED PREMISES
- APPLICATION FOR LIQUOR LICENSE
- APPLICATION REQUIREMENTS
- APPLICATION WITHDRAWAL FILE DEACTIVATION FORM
- APPOINTMENT OF NEW AGENT -ACQUISITION OF CONTROL-RESTRUCTURE
- BUSINESS INFORMATION NAME CHANGE
- CO-OP REGISTRATION
- EXTENSION OF PREMISES PATIO PERMIT
- LICENSE RENEWAL INSTRUCTIONS
- OUT OF STATE PRODUCER
- QUESTIONNAIRE
- PUBLIC RECORDS REQUEST
- RECORDS REQUEST FOR RESTAURANT AUDITS
- RESTAURANT LICENSING GUIDELINES
- RESTAURANT OPERATION PLAN
- SAMPLING REQUEST FORM
- SPECIAL EVENT
- STATEMENT OF LEGAL OR EQUITABLE INTEREST

STATE LIQUOR BOARD PROCESS

1. Who must apply?

Any person intending to manufacture, sell or **DEAL** in spirituous liquor in the state of Arizona must apply for a spirituous liquor license.

An application for an original license or transfer of a license must be filed with the Department, along with a non-refundable fee of \$100.00.

2. Qualifications of Licensee

a. If the licensee is an individual, this person must be a U.S. citizen or a legal resident alien, and a bona fide resident of Arizona.

b. If the licensee is a general partnership, each partner must be a U.S. citizen or a legal resident alien, and a bona fide Arizona resident. The license must be held through a designated **AGENT** who meets the requirements of an individual licensee.

c. If the licensee is a limited partnership, a general partner is required to meet the qualifications of an individual licensee; the limited partners are not required to be Arizona residents. The license must be held through a designated agent who meets the requirements of an individual licensee.

d. If the licensee is a corporate general partnership, each corporate partner must be qualified to do business in Arizona. The license must be held through a designated agent who meets the requirements of an individual licensee.

e. If the licensee is a corporation, it must be qualified to do business in Arizona. The license must be held through a designated agent who meets the requirements of an individual licensee.

f. If the licensee is a limited liability company, it must be qualified to do business in Arizona. The license must be held through a designated agent who meets the requirements of an individual licensee.

g. If the licensee is a club, the license must be held through a designated agent who meets the requirements of an individual licensee.

h. If the licensee is a joint tenancy (j.t.w.r.o.s.), each person must meet the requirements of an individual licensee. ARS 4-202

3. Application Requirements

An application for an original license or transfer of a license must be filed with the Department, along with a non-refundable fee of \$100.00. The application must specify the type of ownership (individual, partnership, corporation, etc.) type of license being applied for, the applicant's name, and the names of any partners. A corporation must file a list of its officers and directors and the names of any stockholders who own ten percent (10%) or more of the corporation.

Every applicant or licensee must designate a person responsible for managing the premises. This **MANAGER** may be the applicant or licensee or another person who meets the requirements of an individual licensee.

Every applicant, manager and **CONTROLLING PERSON** must complete a **BACKGROUND** information questionnaire and submit a set of fingerprints, along with a fingerprint card fee.

Every applicant must file floor plans and diagrams designating the physical layout of the premises.

Every applicant must file geographic data listing all churches, schools and spirituous beverage outlets within a one-half (=) mile radius of the proposed location.

All applications for a **TRANSFER** or **INTERIM PERMIT** must include a license surrender authorization signed by the current licensee and the current, valid (non-expired) license attached to the application. ARS 4-202.

4. Background and Disclosure Requirements

The Department will conduct a background investigation of all applicants.

A license will not be issued to, or renewed for, any person who, within five (5) years prior to application, has been convicted of a felony (or convicted of an offense in another state that would be a felony in Arizona.)

A license will not be issued to any person who, within one (1) year prior to application, has had a license revoked.

The Department will not issue or renew a license for any person who, on the request of the **DIRECTOR**, fails to provide the Department with complete financial disclosure statements indicating all financial holdings of the person or any other person with an interest in the license, including all co-signers on financial holdings, land, buildings, leases or other forms of indebtedness that the applicant has incurred. ARS 4-202.

5. Additional Requirements Prior to License Issuance

a. **INTERIM PERMIT** fee to continue business operations at the same location, pending approval of the application.

b. If born outside of the United States, applicant must submit Proof of Citizenship or Alien Status from one of the following:

- Certificate of Naturalization
- U.S. Passport
- Permanent Resident Alien Card
- Or other proof of legal alien residency status

c. Proof of Arizona residency (Drivers license or voter registration card.)

- d. Corporate status must be verified by Arizona Corporation Commission.
- e. Menu and Restaurant Operation Plan for Series 12 (Restaurant) license.
- f. Menu for Series 11 (Hotel/Motel) license.
- g. Recommendation from local government.
- h. Payment of local government processing fees.
- i. Satisfactory completion of background investigation.
- j. Payment of final issuance fees.

6. License Restrictions

- a. A spirituous liquor retailer's license will not be issued for any premises which are, at the time the application is filed, within three-hundred (300) feet of a church, a school building with any grades K-12 or a fenced recreational area adjacent to a school building. This restriction does not apply to premises granted a restaurant, hotel-motel, special event, club or government license. Nor does it apply to the transfer of premises which had been operating under a previously issued valid license.
- b. An application for a spirituous liquor license will not be accepted for a location which has been previously rejected until twelve (12) months after the date of the prior rejection. ARS 4-207, 4-208

7. Approval Process

Upon receipt of an application for a spirituous liquor license, the Department will send two (2) copies of the application to the clerk of the city or town in which the proposed licensed premises would be located. If the proposed business is outside an incorporated city or town, the copies will be sent to the clerk of the County Board of Supervisors. If the proposed business is on a sovereign Indian reservation, the copies will be sent to the governing body of the reservation, and an "information only" copy will be forwarded to the clerk of the county Board of Supervisors for that county.

The clerk must post one (1) copy of the application on the front of the proposed licensed premises for twenty (20) days.

The appropriate governing body will hold a meeting and must either approve, disapprove or offer a "no-recommendation" decision on the application. This action must take place within sixty (60) days of the filing of the application. During the time the governing body is processing the application, the Department will conduct a background check of the applicant.

If the application is approved at the appropriate government level, and no written protests have been received by the Department, and if there is no objection by the **DIRECTOR**, the

application will be approved. This process normally takes sixty-five (65) to one-hundred five (105) days after the filing of the application.

If the governing body disapproves the application or offers a "no-recommendation", or if protests have been filed with the Department, the application must be set for a hearing before the State **LIQUOR BOARD**.

HEARINGS may be conducted by the board or a designated hearing officer. The purpose of a hearing is to consider all evidence and testimony in favor of or opposed to the granting of a license. The applicant for a new license bears the burden of demonstrating his or her "capability, qualifications and reliability" and that the granting of a license is in "the best interest of the community" except that, in a person to person transfer an applicant need only prove his or her "capability, qualifications and reliability"; an applicant in a location to location transfer need only prove that the granting of the license is in the "best interest of the community".

The decision by the board to grant or deny an application will normally take place within one-hundred five (105) days after the application has been filed, unless the Director deems it necessary to extend the time period. ARS 4-201, 4-201.01, 4-203; Rule R19-1-102

FREQUENTLY ASKED QUESTIONS FROM AZLL WEBSITE

Serving Hours

- During what hours may liquor be served?
 - Spirituous liquor may be served on an on-sale or off-sale retail licensed premise between the hours of 6:00 a.m. and 2:00 a.m. on weekdays and 10:00 a.m. and 2:00 a.m. on Sundays.
 - An on-sale retail licensee may not allow a person to consume spirituous liquor on the premises between the hours 2:30 a.m. and 6:00 a.m. on weekdays and 2:30 a.m. and 10:00 a.m. on Sundays.
 - No person who is not the licensee or employee can possess spirituous liquors in open containers on the premises between the hours of 2:30 a.m. and 6:00 a.m. on weekdays and 2:30 a.m. and 10:00 a.m. on Sundays. [A.R.S. 4-244(15)(17)]
 - When can liquor be served on election day?
 - Election days are like any other day. There is no extra prohibition with respect to hours of operation.
 - May a restaurant licensee decide when to stop serving food and continue serving liquor?
 - No. The kitchen must remain open for complete food service until 10:00 p.m.
-

Liquor and Age

- What is the legal drinking age in the State of Arizona?
 - 21 years of age [A.R.S. 4-101(16)]
- What is the minimum age for serving/selling of alcoholic beverages?
 - Nineteen for an on-sale establishment and 19 for an off-sale establishment that sells primarily spirituous liquor. Sixteen for an off-sale establishment that sells primarily items other than spirituous liquor. [A.R.S. 4-244(10)(11)]
- How old do you have to be to buy non-alcoholic beer?
 - No restriction. The Department of Liquor Licenses and Control does not control the sale of non-alcoholic beverages.
- Can kids be in a bar?
 - Yes, if the person under the legal drinking age is accompanied by a spouse, parent or legal guardian of legal drinking age or is an on-duty employee of the licensee. [A.R.S. 4-244(22)(a)]
- Under what circumstances may an underage person be in a bar or lounge?
 - Only when he or she is with a parent, legal guardian or spouse of legal age. An "on-duty" employee who is at least 19 years of age may also be in the bar. [A.R.S. 4-244(22)]

- May an underage person consume alcohol on a licensed premise if he is with a parent who consents?
 - No. [A.R.S. 4-244(9,16)]
-

Identification

- Is it illegal for a customer to be on a licensed premise without proper identification?
 - No. However, if asked by the establishment to show proper I.D., the customer must produce it in order to be served. [A.R.S. 4-241(A)]
 - What are the acceptable forms of identification?
 - A driver's license from any state or Canada provided it includes a picture of the licensee, (2) an Arizona identifications card issued by the Motor Vehicle Division, (3) an armed forces identification card, and (4) a valid passport or border crossing identification card issued by a government, or voter card issued by the government of Mexico which contains a photograph of the person and date of birth. ALL MUST BE UNEXPIRED. [A.R.S. 4-241(A)(1 - 4)]
 - What are the penalties for using false identification?
 - People under age 21 who use a false-identifying instrument or otherwise purchase alcoholic beverages may, in addition to other privileges, be subject to losing driving privileges.
 - May an underage person who attempts to buy liquor with a false I.D. go to jail?
 - Yes. He could be guilty of a Class 3 misdemeanor. [A.R.S. 4-241(D)]
-

Qualification and Licensing

How long does it take to process a license after application has been made?

Approximately 65-105 days.

How far must I be from a church or school?

300 feet. A.R.S. 4-207(A)

See exceptions at A.R.S. 4-207(B).

If I had an arrest several years ago, may I still apply for a license?

A.R.S. 4-202(D) No license shall be issued to any person who, within one year prior to application, has had a license revoked. No license shall be issued to or renewed for any person who, within five years prior to application, has been convicted of a felony or convicted of an offense in another state that would be a felony in this state, provided that for a conviction of a corporation to be a basis for denial under the provisions of this section, the limitations provided in Section 4-210, Subsection A, Paragraph 8, shall apply. No corporation shall have its annual license issued or renewed unless it has on file with the department a list of its officers and directors and any stockholders who own ten percent or more of the corporation.

How many citations are issued to a license before a liquor license is revoked?

If it's serious enough, the first citation could result in revocation.

Is it mandatory that licensees and their employees attend an alcohol management/liquor law program?

No. However, on any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class. [A.R.S. 4-112(G)(2)]

Operational Matters

- Do I have to buy all alcohol from a wholesaler?
 - Yes. [A.R.S. 4-243.01, 4-244(7)]
- If I reported an act of violence to the police, do I have to report it to you?
 - A licensee shall report an act of violence to either the department or a law enforcement agency. [A.R.S. 4-244(36)]
- Where can I get a copy of the liquor laws?
 - They are available on this site under laws.
- What is the primary area of enforcement in liquor sales?
 - The most highly enforced areas are over serving and selling to minors.
- Is it legal for the band to drink?
 - Yes. Persons on the premises for a vocal or musical performance may consume alcohol while on duty. [A.R.S. 4-244(13), 4-101(14)]
- May an employee be held liable for serving an intoxicated person?
 - Yes. An employee could be held criminally liable. He also could be named in a civil lawsuit should an accident result.
- May an employee be cited for serving an intoxicated person after having followed the employer's orders to do so?
 - Yes. [A.R.S. 4-244(14)]
- May a bar owner drink alcoholic beverages in his own establishment?
 - Yes, when he is not serving customers. He may not be intoxicated or disorderly while on the premises. [A.R.S. 4-244(14)]
- May liquor be removed from an on-sale establishment by a customer?
 - Yes. A customer may take liquor in unbroken packages if the establishment has a No. 6 bar license or a No. 7 beer and wine bar license. Unfinished bottles of wine that have been recorked, flush with the top of the wine bottle (if the wine was served with a meal) may also be removed. [A.R.S. 4-244(31)]
- May a licensed establishment offer coupons to be redeemed for alcoholic beverages?
 - Yes. [A.A.C. R19-1-206]
- May a customer bring alcohol into a licensed establishment?
 - No. [A.R.S. 4-244(39)]

- May a banquet customer purchase and bring alcohol to a function for which he has reserved a licensed establishment?
 - No. [A.R.S. 4-244(39)]
- Is the parking lot legally considered part of a licensed premise?
 - No. [A.R.S. 4-101(24)]
- Is a licensee responsible for problems that occur in his parking lot?
 - Yes, if he is aware of the problem. [A.R.S. 4-210(A)(10), A.A.C. R19-1-234]
- May a bartender or server buy a drink for a customer?
 - No. [A.R.S. 4-244(13)]
- How long may an obviously intoxicated person remain in the bar?
 - Thirty minutes from the time the state of intoxication is known or should be known to the licensee or employee of the licensee. This allows time for a sober person to arrive at the premises and drive the intoxicated person home. [A.R.S. 4-244(14)]
- Must an employee list be posted in an on-sale licensed establishment?
 - No. But it must be current and available if requested by law enforcement. [A.R.S. 4-119]
- When may the front doors of a licensed establishment be locked?
 - When all persons other than the licensee and his employees on duty have left the premises or if a holder of a club license has been granted permission by the director. [A.R.S. 4-228]
- Is it legal for a restaurant with a Series 12 license to offer alcoholic beverages as part of its off-the-premises catering operation?
 - No. A restaurant license permits the sale and service of alcoholic beverages for consumption only on the licensed premises. [A.R.S. 4-205.02(c)]
- How many drinks may I serve to a person at one time?
 - The law no longer defines this limit at the number of drinks, but the amount of liquor served. It is unlawful for an on-sale retail licensee or employee to conduct drinking contests, or sell or deliver to a person an unlimited number of spirituous liquor beverages during any set period of time for a fixed price, to deliver more than thirty-two ounces of beer, one liter of wine or four ounces of distilled spirits in any spirituous liquor drink to one person at one time for that person's consumption or to advertise and practice prohibited by this paragraph. [ARS 4-244.23]

GLOSSARY

ACQUISITION OF CONTROL - Acquiring **CONTROL** of a license or licensee. It is subject to passing a background check by the Department. ARS 4-203(F, H)

ACT OF VIOLENCE - An incident in which one or more of the following occurs:

1. Obvious bodily injuries are sustained.
2. Disorderly conduct of sufficient intensity to require a peace officer to restore order.
3. A weapon is displayed or used.

An "act of violence" must be reported to *either* the Department *or* the local law enforcement agency within seven (7) days. ARS 4-101(1), 4-210(A), 4-244(36); Rule R19-1-234

ADVERTISING - Signs and other print material advertising a product and/or an event sponsorship are subject to regulation. Rule R19-1-210, R19-1-250(D)

AGENT - A natural person who is the named representative of and acts on behalf of, or for the benefit of a legally distinct entity such as a club, corporation, limited liability company, partnership, or out of state licensee who holds a liquor license in Arizona. An agent must meet the qualifications of an individual licensee; *except that*, an agent for an out of state licensee need not be a resident of Arizona. An agent is not synonymous with **MANAGER** but may be the manager. See **MANAGER**. ARS 4-202(A)

AGENT CHANGE - Notice of a change of agent shall be filed with the Department within thirty (30) days after such a change. The fee for this is \$100.00; *except that*, if a licensee holds multiple licenses, each additional notice of agent change shall be \$50.00. ARS 4-202(C), 4-209(H)

AGGRIEVED PARTY - A person who resides at, owns or leases property within a one mile radius of a premises proposed to be licensed and who filed a written request with the department to speak in favor of or opposition to the issuance of the license no later than sixty days after the filing of the application or fifteen days after action by the local governing body, whichever is later.

ALCOHOL - See **SPIRITUOUS LIQUOR**.

ARIZONA WINE - Wine that is manufactured or produced from grapes or other agricultural products of which at least seventy-five percent (75%) by volume are grown in Arizona. ARS 4-101.13, 4-244.38

ASSIGNMENT - The transfer to another of one's interest in a right or property. The Director must be notified of any assignment. See **PROBATE**. ARS 4-209(I), 4-202(B), 4-204(A); R19-1-103

BACKGROUND - Each applicant and all **CONTROLLING PERSONS** must furnish background information and a set of fingerprints. No license will be issued to any person who within five (5) years has been convicted of a felony, or convicted of an offense in another state that would be a felony in this state. ARS 4-202(B, D, F), 4-101(3)

BEER - Any beverage obtained by the alcoholic fermentation or infusion of barley, malt, hops or other ingredients, or any combination of them. ARS 4-101(3)

BENEFICIAL INTEREST - An interest in ten percent (10%) or more of the liabilities of the licensee or **CONTROLLING PERSON**. **CONTROL** is presumed to exist when a person holds such an interest. ARS 4-101(9), 4-101(10)

BOARD - See **LIQUOR BOARD**.

BONA FIDE GUEST - A person who is actually a house guest or a person whose presence as a guest is in response to a specific and personal invitation. ARS 4-101(5)

BUSINESS NAME CHANGE - No licensee shall change the name of his licensed business without first notifying the Department on a form prescribed by the **DIRECTOR**. Rule R19-1-306

CHANGE OF OWNERSHIP - Any change in the financial set-up of a business establishment which in any way results in a person directly or indirectly becoming a **CONTROLLING PERSON**. ARS 4-101(10)

CLOSING NOTICE - The licensee must notify the Department (on an Inactive/Active Status Form) if a license is not used for a period of time over thirty (30) consecutive days. The licensee shall notify the Department prior to placing the license back into use. See **INACTIVE**. Rule R19-1-307

CLOTHING - See **NUDITY**.

CONTROL - Control is presumed to exist if a person has ownership of ten percent (10%) or more of a license, or if a creditor of the applicant holds a **BENEFICIAL INTEREST** in ten percent (10%) or more of the liabilities or **CONTROLLING PERSONS**. ARS 4-101(9)

CONTROLLING PERSON - A person directly or indirectly possessing **CONTROL** of an applicant or licensee, or holding a beneficial interest in ten percent (10%) or more of the liabilities. ARS 4-101(10)

CO-OP - A retail cooperative of two (2) or more retail licensees. See **QUALIFIED RETAIL COOPERATIVE**. ARS 4-222, 4-227; Rule R19-1-303

CREDIT - It is unlawful to sell, directly or indirectly, or to sanction the sale on credit of spirituous liquor, or to give, lend, or advance money or anything of value for the purpose of purchasing spirituous liquor. ARS 4-242

CREDIT CARDS - The purchase of spirituous liquor may be made with credit cards approved by the Director. All major credit cards have been approved. ARS 4-242

DEAL - To sell, trade, furnish, distribute, or to do business in spirituous liquor. ARS 4-201(A)

DELIVERY - The holder of a retail license with off-sale privileges may deliver spirituous liquor *off* the premises, provided:

1. A record of the delivery is made on a form approved by the Director and retained for two (2) years.
2. The deliverer is at least twenty-one (21) years old.
3. The receiver is at least twenty-one (21) years old.
4. Delivery is made only during **LAWFUL HOURS**.
5. Payment is received at the time of delivery. ARS 4-203(H); Rule R19-1-221

DIRECTOR - The Director of the Department of Liquor Licenses and Control. The Director is appointed by the Governor, to serve concurrent with the Governor. ARS 4-101(12), 4-111(G)

DISPOSAL OF ALCOHOL - See **TEMPORARY PERMIT**.

ELECTION DAYS - There is no statute prohibiting the sale of spirituous liquor, during lawful hours, on any election day. The law prohibiting sales on election days was repealed in 1993.

EMPLOYEE - Any person who performs any service on licensed premises on a full-time, part-time or contract basis with the consent of the licensee. This does *not* include a person exclusively on the premises for musical or vocal performances, for repair or maintenance or for the **DELIVERY** of goods to the licensee. ARS 4-101(14)

EMPLOYEE LOG - Each **ON-SALE RETAILER** must maintain, at the licensed premises, a current log of all persons employed at the licensed premises, including each employee's full legal name, date and place of birth, address and responsibilities. ARS 4-119

EQUITABLE INTEREST - All persons having a legal or equitable interest in a spirituous liquor license must file a statement of such interest on a form furnished by the Department. Notice of termination of such interest must be filed in writing. ARS 4-210(J.2); Rule R19-1-302

EXTENSION OF PREMISES - No licensee shall change or alter the physical arrangement of his licensed premises so as to include greater space or the use of different or additional entrances, without having first submitted a diagram of the proposed alterations for prior approval. (This includes outdoor patio tables within the boundaries of the licensee's property.) The diagram must be submitted for approval for a temporary, as well as a permanent, extension of premises. ARS 4-207.01; Rule R19-1-311

FEES - The established charges for various licensing procedures. These figures are subject to change. Check with the Department for the current amount. ARS 4-101-(18)

FETAL ALCOHOL WARNING SIGNS - See **PREGNANCY WARNING SIGNS**.

FULL-YEAR FEE - The charge for an original license including the *full* annual fee. ARS 4-209

GAMBLING - The act of risking or giving something of value for the opportunity to obtain a benefit from a game or contest of chance or skill. ARS 13-3301

HALF-YEAR FEE - The charge for an original license including *half* the annual fee. When a license is issued within six (6) months of the renewal date, the applicant is only charged for half of the annual fee. ARS 4-209

HEARING PROCEDURE - A hearing may be conducted in an informal manner and adherence to the rules of evidence applicable to judicial proceedings is not required. ARS 4-112(F), 41-1062

IDENTIFICATION - The *only* acceptable types of identification for the purchase of spirituous liquor are:

1. An unexpired driver's license, from any state or Canada, provided it includes a picture of the licensee.
2. An Arizona identification license.
3. An armed forces identification card.
4. A valid passport or border crossing identification card issued by a government, or voter card issued by the government of Mexico which contains a photograph of the person and date of birth. ARS 4-241(A)

IMPORTATION OF ALCOHOL - Each person of **LEGAL DRINKING AGE** is allowed to bring into this country from another country a maximum of one (1) liter of spirituous liquor in any period of thirty-one (31) days, provided the person has been physically within that foreign country immediately prior to the importation, and the importation coincides with the person's return from that foreign country. ARS 4-244.02

INACTIVE - The licensee must notify the Department (on an Inactive/Active Status Form) if the license is going to be in **NON-USE** (the license is not used for a period of time over thirty (30) consecutive days.) A licensee who holds a license in non-use status for more than five (5) months shall be required to pay a \$100.00 **SURCHARGE** for each month thereafter. The license automatically reverts to the state after continuous non-use in excess of thirty-six (36) months. The surcharge shall be paid at the time the license is returned to active status. If a licensed location has not been used for two (2) years, the location must re-qualify for a license, and must meet the same qualifications required for issuance of a new license. ARS 4-203(G,N,O); Rule R19-1-101(6), R19-1-307

INTERIM PERMIT - A conditional permit (license) that is used for the purpose of continuing the sale of alcohol while an application is being processed. An interim permit may be granted under the following conditions:

- An application for a transfer, or for an original license, is submitted to the Department.
- The application is for a license of the same series, and at the same premises, and the original license has been surrendered pursuant to rules of the department.

- The **DIRECTOR** has good cause to believe the licensee is no longer in possession of the licensed premises. The interim permit is usually valid for *one-hundred five (105)* days. If the application has not been approved before the interim permit expires, it is the responsibility of the applicant to request a *second* interim permit. ARS 4-203.01; Rule R19-1-308

INDUCEMENTS - No **ON-SALE RETAILER** shall directly or indirectly offer or furnish any gifts, prizes, coupons, premiums, rebates or assumptions of any tax or similar inducements wherein the purchase or consumption of spirituous liquor is required to receive such gifts, etc. This shall not prohibit on-sale licensees from furnishing **ADVERTISING** novelties of nominal value, as long as such furnishing is not dependent upon the purchase or consumption of spirituous liquor. Rule R19-1-206

INTERSTATE SHIPPING - No person, corporation, partnership or concern shall ship or transport to any place within this state from any place outside of this state any container, package or parcel containing spirituous liquor, unless the same shall be consigned to a licensed Arizona **WHOLESALE**R. Rule R19-1-204

INTOXICATED - Means inebriated to the extent that a person's physical faculties are substantially impaired and the impairment is shown by significantly uncoordinated physical action or significant physical dysfunction that would be obvious to a reasonable person. ARS 4-244(14), 4-311(C)

I.P. - See **INTERIM PERMIT**.

LAWFUL HOURS - The sale of **SPIRITUOUS LIQUOR** is allowed between the hours of 6:00 a.m. - 2:00 a.m. Monday - Saturday; and 10:00 a.m. - 2:00 a.m. on Sundays. ARS 4-244(15)

LEGAL DRINKING AGE - The age of twenty-one (21) years or older. ARS 4-101(16)

LICENSE - Means a spirituous liquor license or an **INTERIM PERMIT**. ARS 4-101(17)

LICENSEE - A person who has been issued a license or an interim permit, or a special event license in accordance with ARS 4-203.02, ARS 4-101(19)

LIQUOR - See **SPIRITUOUS LIQUOR**.

LIQUOR BOARD - Consists of seven (7) members, appointed by the Governor, for a term of three (3) years. ARS 4-101(4), 4-111

LOCATION TRANSFER - The application process for moving a license from one premise to another within the same county. ARS 4-203

MANAGER - A natural person approved by the Department having the authority to organize, direct, carry on, **CONTROL** or otherwise operate a licensed business on a temporary or full-time basis. The person responsible for the day to day business. ARS 4-101(20)

MANAGER'S QUESTIONNAIRE - A form provided by the Department used to grant the authority to organize, direct, carry on, control or otherwise operate a licensed business on a temporary or full-time basis. ARS 4-101(20), 4-202(C); Rule R19-1-307(C)

MINIBAR - Located in the room of a registered guest of a licensed hotel or motel. Spirituous liquor is sold in individual portions, only to registered guests of **LEGAL DRINKING AGE** and only during normal serving hours. ARS 4-205.06

NON-ALCOHOLIC BEVERAGE - Any drink that contains *less* than one-half of one percent (.05%) of alcohol by volume. These beverages are not controlled by the Department and they can be sold to anyone at any time. ARS 4-101(29)

NON-USE - The license is not used for a period of time over thirty (30) consecutive days. See **INACTIVE**. ARS 4-203(G,N,O); Rule R19-1-101(6), R19-1-307

NUDITY - Nudity, clothing and attire of **EMPLOYEES** of licensees are subject to regulation. (Cities and counties may further enforce ordinances pertaining to establishments with adult entertainment.) Rule R19-1-213

OBVIOUSLY INTOXICATED - See **INTOXICATED**.

OFF-SALE RETAILER - Any person selling **SPIRITUOUS LIQUOR** in an established retail liquor store, or a retail store selling other commodities. The spirituous liquor is sold *only* in the original unbroken package, to be consumed off the premises. ARS 4-101(21)

OFF-SITE STORAGE - No licensee shall accept the **DELIVERY** of or keep in storage any **SPIRITUOUS LIQUOR** upon any premises other than those on the licensee's own licensed premises without *first* having obtained written authorization from the **DIRECTOR**. R19-1-219

ON-SALE RETAILER - Any person operating an establishment where spirituous liquor is sold for consumption *on* or *off* licensed premises. ARS 4-101(22)

PERSON - Includes partnerships, associations, limited liability companies or corporations, as well as a natural person. ARS 4-101(23)

PERSON TO PERSON TRANSFER - The application process for conveying the ownership of a license from one person to another, within the same county. ARS 4-203

PERSONAL REPRESENTATIVE - A person acting as administrator, executor, or guardian of the estate of any licensee; trustee of the bankrupt estate of any licensee; or assignee for the benefit of creditors. Upon receiving permission from the **DIRECTOR**, the personal representative may sell and **DEAL** in spirituous liquor for a period not exceeding twenty-four (24) months from the date of the appointment as the licensee's personal representative. See **PROBATE**. ARS 4-204, 4-202(B), 4-209(I)

PREGNANCY WARNING SIGNS - All **ON-SALE** and **OFF-SALE RETAILERS** must post one (1) or more of the following sign (which *must* be obtained from the Department) "Warning - Drinking alcoholic beverages, including distilled spirits, **BEER**, coolers and **WINE**, during

pregnancy can cause birth defects." These signs must be posted *either* within twenty (20) feet of each register *or* behind the bar. ARS 4-261; Rule R19-1-235

PREMISES - The "licensed premises" means the area from which the licensee is authorized to sell, dispense or serve spirituous liquor, as determined by the diagram on file with the Department. ARS 4-101(24)

PRIMARY SOURCE OF SUPPLY - Means the distiller, producer, owner of the commodity at the time it becomes a marketable product, bottler or exclusive **AGENT**, or importer, of any such distributor or owner. ARS 4-243.01(E)

PRIMARY PURPOSE - The basic fundamental purpose of a business. For example: the primary purpose of a bowling alley is "bowling" and the sale of spirituous liquor is secondary. ARS 4-201(H), 4-244(23)

PRIMARY USE - See **PRIMARY PURPOSE**.

PROBATE - No fee will be charged by the Department for an assignment of a liquor license pursuant to the provisions of a will or pursuant to a judicial decree in a divorce proceeding which assigns ownership of a spirituous liquor license to one of the parties. See **ASSIGNMENT**. ARS 4-209(I), 4-202(B), 4-204(A)

PROLIFERATION - In order to prevent the "proliferation" of spirituous liquor licenses, the Department may protest, and the **BOARD** may deny a license to a business on the grounds that such business is inappropriate for the sale of spirituous liquor. An inappropriate business is one that cannot clearly demonstrate that the sale of spirituous liquor is directly connected to its **PRIMARY PURPOSE**. ARS 4-201(H)

PROPRIETARY INTEREST - No licensee shall transfer, assign or make any change in ownership, directly or indirectly, nor shall a partner purchase or otherwise acquire the interest held by any other **CONTROLLING PERSON** or partner without notifying the **DIRECTOR** within thirty (30) days and filing an application, questionnaire or other required documentation. Rule R19-1-103

QUALIFIED RETAIL COOPERATIVE - A retail **CO-OP** of twenty (20) or more retail licensees. ARS 4-227(C), 4-222; Rule R19-1-303

QUOTA LICENSE - Effective October 31, 1992, in each county having a population of five hundred thousand (500,000) or more persons, the **DIRECTOR** shall only issue bar, beer and wine bar, or liquor store licenses at the rate of one (1) of each type for each additional five thousand (5,000) person increase over the population in that county as of July 1, 1992.

If there are more applicants than the number of available licenses, a "**QUOTA** drawing" (a random selection method) will be held to determine which applicants shall be considered. ARS 4-203(B,K), 4-206, 4-206.01; Rule R19-1-109

REFILLING BOTTLES - No liquor bottle may be re-used for the packaging of distilled spirits, nor may the original contents, or any portion of such contents, be increased by the addition of any substance. Rule R19-1-207

RENEWAL - Every license expires annually. The Department issues licenses with staggered renewal dates to distribute the workload throughout the calendar year. A licensee who fails to renew his license *on* or *before* the due date, shall pay a penalty of \$150.00. A license which is not renewed within sixty (60) days after the due date is considered terminated.

The Director shall assess (as part of the renewal) a **SURCHARGE** on *all* series of licenses. ARS 4-209(J,K,L) The Department shall not renew a license for any person who, on the request of the Director, fails to provide a complete financial disclosure statement.

A liquor license will not be renewed for any person who has been convicted of a felony within five (5) years or convicted of an offense in another state that would be a felony in this state. ARS 4-209(A,C), 4-202(D,F)

RESTAURANT - An establishment that obtains at least forty percent (40%) of its gross revenue from the sale of food, and also meets the requirements and guidelines established by the Director. ARS 4-205.02

RETAIL AGENT - Any person who is authorized to purchase and accept delivery of spirituous liquor for and on behalf of himself and other retail licensees. ARS 4-101(26), 4-222; Rule R19-1-303

SAMPLING - May be used only for new products or products unfamiliar to the person receiving the sample.

At *on-premises* events or wholesaler's premises, sampling must be limited to twelve (12) ounces of beer or "cooler," six (6) ounces of wine and two (2) ounces of distilled spirits per person per brand.

At *off-sale* events sampling must be limited to seventy-two (72) ounces of beer, "cooler" or wine products, and seven-hundred fifty (750) milliliters of distilled spirits. The product must be in sealed, original packages only.

Exception: A representative of a licensed domestic farm winery may serve and may consume small amounts of the products of the licensed domestic farm winery on the premises of an off-sale retailer or a retailer with off-sale privileges for the purpose of sampling the products of the domestic farm winery. Sales of domestic farm winery products from such licensed retail premises shall be made by the licensed retailer. Rule R19-1-228(R); ARS 4-244.04

SEASONAL LICENSE - When an on-sale retail licensee is open for less than six (6) months in any calendar year, the licensee may designate the periods of operation and a license may be granted for those periods only. The cost will be one-half (=) of the annual renewal fee. ARS 4-209(E)

SELL - Includes soliciting or receiving an order for, keeping or exposing for sale, directly or indirectly delivering for value, peddling, keeping with intent to sell and trafficking in spirituous liquor. ARS 4-101(28)

SIGN LIMITATIONS - No permanent interior or exterior sign, given to a retailer by a supplier, or sign **ADVERTISING** spirituous liquor, shall exceed eight-hundred sixty-four (864) square inches. Rule R19-1-210

SPIRITUOUS LIQUOR - Includes alcohol, brandy, whiskey, rum, tequila, mescal, gin, porter, ale or beer, any malt liquor, malt beverage, absinthe or compound or mixture of any of them, or of any of them with any vegetable or other substance, alcohol bitters, bitters containing alcohol, and any liquid mixture or preparation which produces intoxication, fruits preserved in ardent spirits and beverages containing more than one-half of one percent (.05%) of alcohol by volume. The Department refers to all alcoholic beverages as spirituous liquor. ARS 4-101(29)

STATE LIQUOR BOARD - See **LIQUOR BOARD**.

SURCHARGE - The **DIRECTOR** shall assess a fee, (as part of the annual renewal) *all* series of licenses. Monies from this surcharge shall be used by the Department exclusively for the costs of an enforcement program to investigate licensees who have been the subject of multiple complaints. The enforcement program shall respond to complaints against licensees by neighborhood associations, neighborhood civic groups and from municipal and county governments. The **DIRECTOR** shall assess an additional fee, (as part of the annual renew) on all series licenses. ARS 4-209(J,K,L)

TEMPORARY PERMIT - The **BOARD** may issue a temporary permit authorizing the disposal, at public auction, of spirituous liquor which has been seized by any agency of this state or the Federal Government. ARS 4-205.05

TRANSFERABLE LICENSE - The only licenses that are transferable are 06 (bar), 07 (beer and wine bar) and 09 (liquor store). These licenses may transfer from one person to another, and from one location to another, provided the new location is in the same county. See **PERSON TRANSFER** and **LOCATION TRANSFER**. ARS 4-203

TRUSTEE - See **PERSONAL REPRESENTATIVE**.

UNDERAGE - Means under the age of twenty-one (21) years. ARS 4-101(16)

VENDING MACHINE - A machine that dispenses merchandise through means of coin, token, credit card or other non-personal means of accepting payment for merchandise received. ARS 4-101(31)

WHOLESALER - Means any person, firm or corporation licensed in this state to sell to retailers and who is engaged in the business of warehousing and distributing brands of various suppliers to retailers generally in the marketing area in which the wholesaler is located. ARS 4-243.01(E.2)

WINE - A product obtained by the fermentation of grapes or other agricultural products containing natural or added sugar or any alcoholic beverages fortified with grape brandy and containing not more than twenty-four percent (24%) alcohol by volume. ARS 4-101(34)

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