

AGENCY

The **Utah Department of Alcoholic Beverage Services (UDABS)** is an independent state department. It operates a network of state stores and package agencies that sell all alcoholic beverages, except beer containing less than 5% alcohol by volume (ABV and which is sold in grocery and convenience stores) and maintains wholesale control.

The department employs a full-time executive director to oversee day-to-day operations. The policy of the department, as set by statute, is to operate as a public business using sound management principles and practices, and function with the intent of servicing the public demand for alcoholic beverages.

State of UT

UDABC

WET and DRY COUNTIES

State law prohibits dry localities.

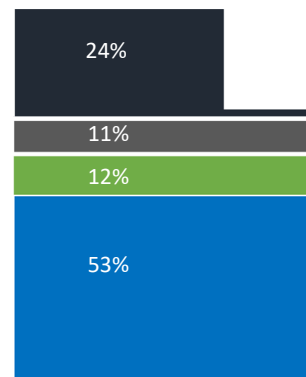
Over 21+ Population-July 2021
(Census.gov)

2,238,268

NET REVENUE

UT distributes its gross* revenue into four categories:

- Cost of Liquor Sold (53%)
- School Lunch and Public Safety Transfer (11%)
- Total Operating Cost (12%)
- Net Profit to General Fund (24%)



HISTORY

The UDABC has existed since 1935. In that year, the Utah State Legislature created the department by statute, and charged it with responsibly licensing and regulating the sale of alcoholic beverages in a manner and at prices which reasonably satisfies the public demand and protects the public interest. This includes the rights of citizens who do not wish to be involved with alcoholic beverages. The legislature also mandated that the department operate as a public business using sound management principles and practices.

ENFORCEMENT

Licenses and permits are issued by the UDABS. Retail licenses for the sale of alcoholic beverages for on premise consumption are required for restaurants, on premise banquet and catering facilities, reception centers, qualified resort buildings, airport lounges, clubs, and on premise beer retailers. There are also various permits that are issued for special use, single events, and temporary beer. Other license types are issued for manufacturers and distributors.

The UDABS has licensing and compliance specialists who process applications and perform audits and training of licensed businesses. Undercover operations are handled by the Alcohol Enforcement Unit, a group of law enforcement officers working for the Department of Public Safety's State Bureau of Investigation.

\$557.45 million

2022 Gross Revenue



From 2018 through 2022, the UDABS has contributed \$2.5 billion to the state.

DISTRIBUTION

All purchases for on premise licenses are done through the state system. Pricing for products is the same throughout the entire state.

Retail to retail or retail to bar is not allowed, as the seller would be acting as a wholesaler, an activity for which they do not hold a license.

Beer over 5% ABV, wine and spirits are sold through the state liquor system. General grocery stores sell beer that is less than 5% ABV (4% by weight).

Does jurisdiction allow direct shipping of wine?



Tax per standard drink:

SPIRITS: \$0.080

WINE: \$0.285

BEER: \$0.040

OUTLETS AND GROCERY STORES

The Department operates 52 state liquor and wine stores and 154 package agencies or contract stores. A state liquor and wine store, operated by state employees, carries a full line of liqueurs, wines, spirits, and full-strength beers. These stores are found in the more populated areas of the state.

- Utah does not have policies that regulate the density of off-premise outlets in a neighborhood/precinct/condensed area
- Jurisdiction does not allow the sale of spirits or wines in convenience and grocery stores
- Servers must be 21 years old and older to serve beer at on-premise outlets, and employees at off-premise outlets must be 21 years old to sell beer
- The sale of up to 5% ABV beer is permitted in convenience and grocery stores
- Sunday sales are not allowed of spirits, wine, and heavy beer. Liquor stores closed.
- Kegs are not permitted
- For every 100,000 residents ages 21 and older, there are 6.6 state liquor stores
- Beverage service training is mandatory

UTAH DEPARTMENT OF ALCOHOLIC SERVICES CONTROL IN ACTION



In 2021, the department launched a fresh brand which, most notably, included an update to the name. What was historically known as the Department of Alcoholic Beverage Control is now updated to the Department of Alcoholic Beverage Services. Along with the name change, the department announced a new mission statement that, in addition to the department's statutory obligations, includes its service-first mission and the benefits the department makes to the entire state through its financial contributions to state programming. Additionally, UDABS announced several service-first initiatives that demonstrate the department's commitment to its mission with tangible action items to improve internal efficiencies and boost support services.

DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2018 Survey Database, Alcohol Beverages Revenues & Taxes 2020 Report (June 2022), Utah Department of Alcoholic Beverage Services, Alcohol Policy Information System (APIS), Census.gov