

AGENCY

The **Utah Department of Alcoholic Beverage Control (UDABC)** 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 4% alcohol by volume (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.

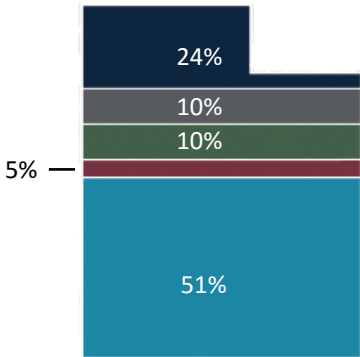
Population 21 and over
(Estimate) (2016) **2,325,000**

NET REVENUE

UT distributes its gross* revenue into five categories:

- Cost of Liquor Sold (51%)
- Sales Tax (5%)
- School Lunch and Public Safety Transfer (10%)
- Total Operating Cost (10%)
- Net Profit to General Fund (24%)

*Gross revenue for 2016 is \$405,911,384.



Figures are from 2016

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 UDABC. 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 UDABC has licensing and compliance officers 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.

\$190,330,460
2016 Net Revenue

From 2003 through 2016, the UDABC has contributed \$1,496,495,928 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 4% ABV, wine and spirits are sold through the state liquor system. General grocery stores sell beer that is less than 4% ABV (3.2% by weight).

Does jurisdiction allow direct shipping of wine?



Tax per standard drink:

SPIRITS: \$0.039

WINE: \$0.133

BEER: \$0.081

OUTLETS AND GROCERY STORES

The Department operates 44 state liquor and wine stores and 122 package agencies or contract stores. A state liquor and wine store, operated by state employees, carries a full line of liqueurs, wines, spirits, and some 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 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 3.2% 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 spirits outlets
- Beverage service training is mandatory

UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL IN ACTION



In 2016, Utah DABC transitioned from the Symphony Teleca/Escalate ERP system to the Microsoft Dynamics AX 2012 ERP system. This was a huge undertaking for the department. The implementation of the new system occurred on July 3rd. What occurred on that date was that every business process, application, program, database, server and anything else that uses DABC's systems, changed at that moment. The Utah DABC is now moving in a positive direction and we are now seeing some of the benefits of the new system

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: 2016 Survey Database, State Alcohol Tax Rates (July 2016), Educational Awards Program Reports for 2014-2015, Utah Department of Alcoholic Beverage Control, The Beverage Information Group's 2015 Fact Book, Alcohol Policy Information System (APIS)