

# Welcome

DLLC Local Governing Body

**License Types**  
**License Process**  
**Special Events**  
**Festivals**





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Arizona Department of Liquor Licenses and Control



# Licensing Applications

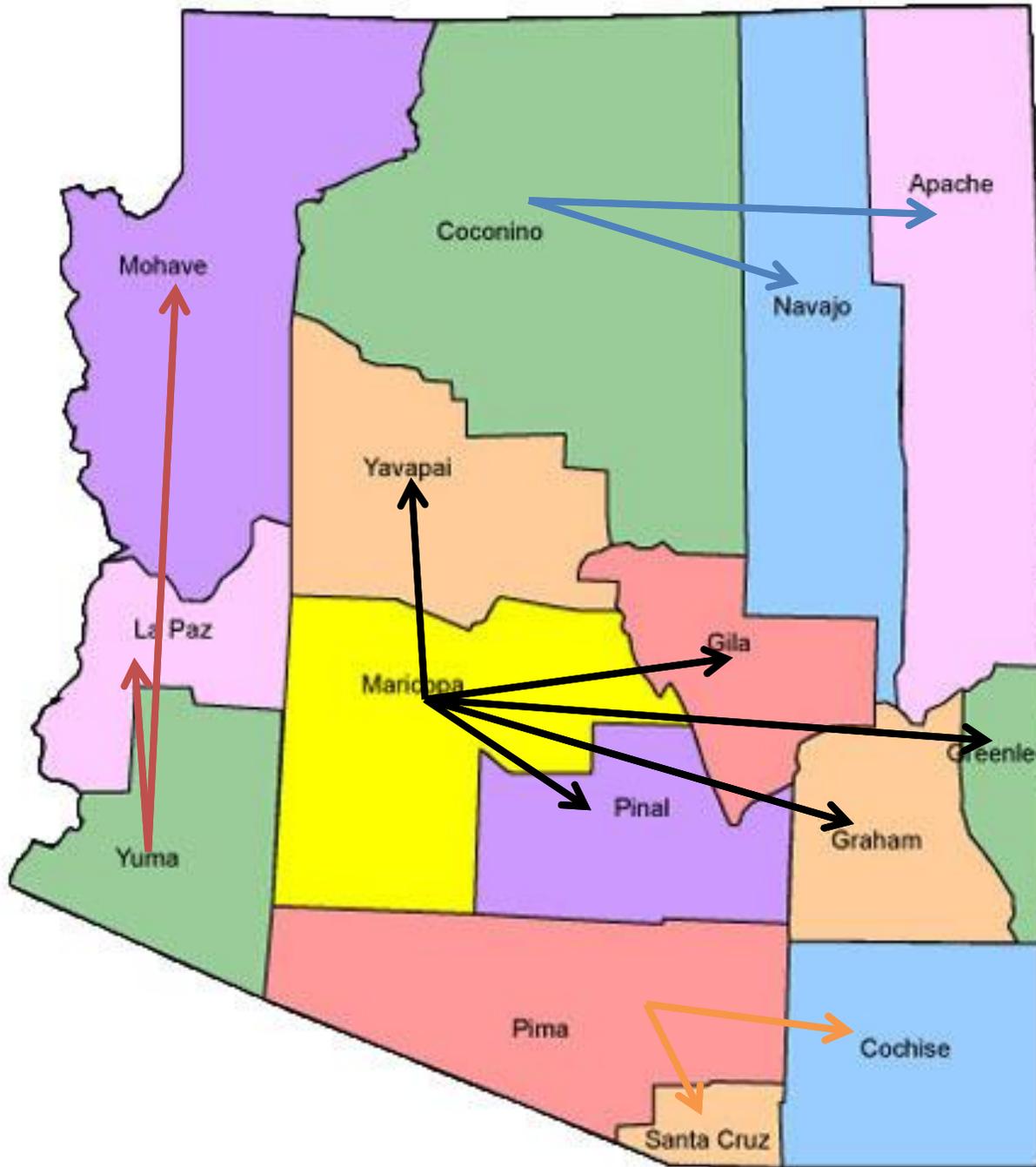
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# History of DLLC

- **1933** – The department was formed at the repeal of Prohibition.
- **1933 - 1935** Under control of the Department of Revenue (70 Agents).
- **1935 – 1972** Department of Liquor became an independent agency.
- **1972 – 1980** Enforcement absorbed by DPS / licensing stayed with DLLC.
- **1980 – to date** Independent Law Enforcement agency, primary duties to enforce Title 4 Liquor Laws.





## DLLC OFFICE LOCATIONS

Phoenix – Admin,  
Licensing &  
Investigations

Yuma –  
Investigations

Tucson –  
Investigations

Winslow -  
Investigations

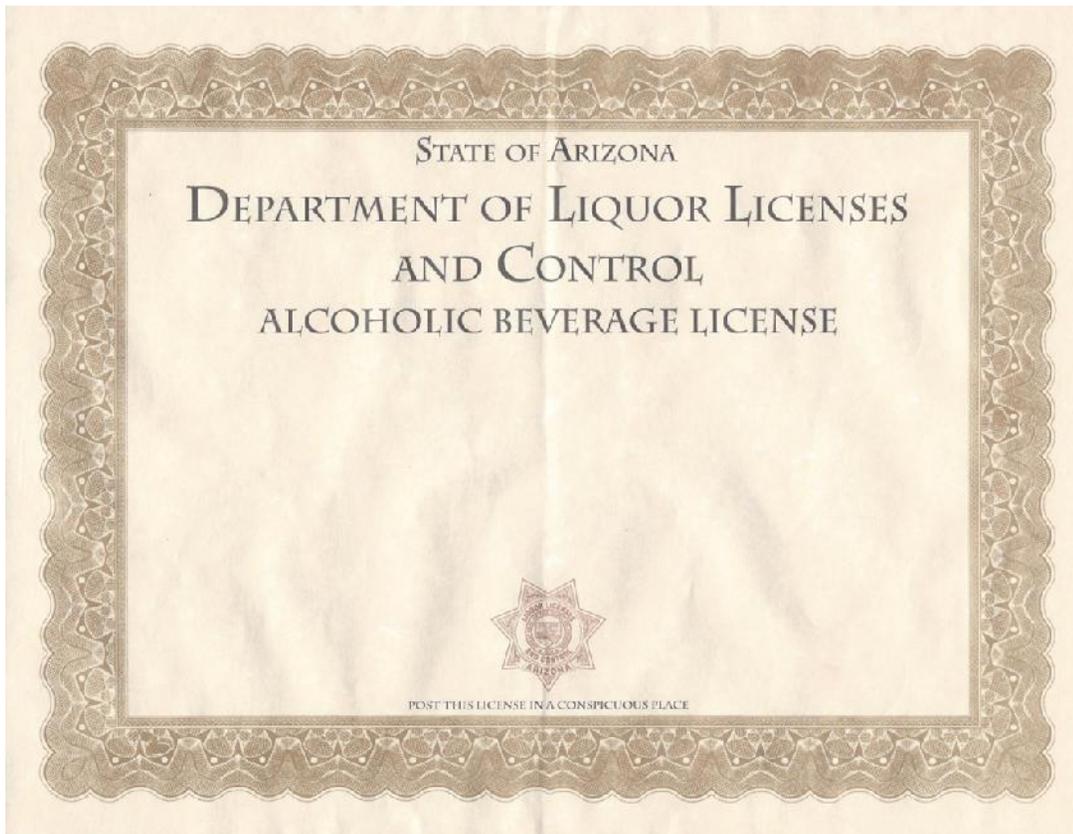


**SAMPLE LICENSE NUMBER: 06070431**

**Components**      **06 = Series**  
                         **07 = County**  
                         **0431 = Sequential Number**

### Arizona Counties

Apache – 01, Cochise – 02, Coconino – 03,  
Gila – 04, Graham – 05,  
Greenlee – 06, Maricopa – 07, Mohave – 08,  
Navajo – 09, Pima – 10,  
Pinal – 11, Santa Cruz – 12, Yavapai – 13,  
Yuma – 14, La Paz – 15



<b>Series#</b>	<b>Type of License</b>
<b>01</b>	<b><u>In-State Producer</u></b>
<b>02</b>	<b><u>Out of State Producer</u></b>
<b>03</b>	<b><u>Microbrewery***</u></b>
<b>04</b>	<b><u>Wholesaler</u></b>
<b>05</b>	<b><u>Government*</u></b>
<b>06</b>	<b><u>Bar***</u></b>
<b>07</b>	<b><u>Beer and Wine Bar***</u></b>
<b>08</b>	<b><u>Conveyance*</u></b>
<b>09</b>	<b><u>Liquor Store** (S)</u></b>
<b>10</b>	<b><u>Beer and Wine Store** (S)</u></b>
<b>11</b>	<b><u>Hotel License*</u></b>
<b>12</b>	<b><u>Restaurant*</u></b>
<b>13</b>	<b><u>Farm Winery***</u></b>
<b>14</b>	<b><u>Private Club*</u></b>
<b>15</b>	<b><u>Special Event* (Auction)</u></b>
<b>16</b>	<b><u>Wine / Craft Distillery Festival***</u></b>
<b>17</b>	<b><u>Direct Shipment</u></b>
<b>18</b>	<b><u>In-State Craft Distillery***</u></b>
<b>19</b>	<b><u>Tasting Room (13 &amp; 18)***</u></b>
<b>20</b>	<b><u>Alternating Proprietor</u></b>
<b>21</b>	<b><u>Custom Crush</u></b>

**6's, 7's & 9's are transferable**

**\* = On Premise only**

**\*\* = Off Premise only**

**\*\*\* = On and Off**



# 6's, 7's & 9's Transferable

**Can transfer from person to person**

**Can Transfer from one location to another**

**DLLC does not issue these**

**Fair Market Value**

**Must stay in the County they were issued**

**DLLC occasionally holds AUCTION 10,000**

**increase in population**



# IN-STATE PRODUCER #1

This non-transferrable liquor license allows an in-state producer to produce or manufacture beer, wine and distilled spirits (all spirituous liquor) and sell/deliver the product to a licensed wholesaler. A person who holds an In-State Producer license may also sell liquor produced or manufactured on the licensed premises for on-site consumption if the producer also holds an on-sale retail license (series 06, 07 or 12). The retail license premises must be located on, or adjacent to, the licensed premises of the in-state producer.



# MICROBREWERY #03

**PRODUCE, MANUFACTURE AND BOTTLE THEIR OWN BEER.**

- ON-PREMISE CONSUMPTION
  - OFF-PREMISE SALES
- SALE TO RETAIL LOCATIONS
- 20% OF ANOTHER MB PRODUCT
- MAY STACK MULTIPLE LICENSES
  - 93,000 self distribution

5000 MINIMUM AFTER YEAR ONE  
6,200,000 MAXIMUM



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**"Wholesaler"**

means any person, firm or corporation that is licensed in this state to sell to retailers and that 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.



# GOVERNMENT #5

Government license to any county, city, town, community college or state university or National Guard or the Arizona exposition and state fair board upon application authorized by the governing body of the county, city, town, community college or state university or National Guard or the Arizona exposition and state fair board.

- On-premise consumption only



# BAR #6

This license allows a bar retailer to sell and serve spirituous liquors to be consumed on the premises.

- Off-sale up to 30%



# BEER AND WINE BAR #7

This license allows a beer and wine bar retailer to sell and serve beer and wine, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

- Off-sale up to 30% of volume



# Conveyance #8

On-sale retail privileges liquor license allows the owner or lessee of an operating airline, railroad or boat to sell all spirituous liquors in individual portions or in original containers for consumption only on the plane, train or boat.



# LIQUOR STORE #9

This license allows a spirituous liquor store retailer to sell all spirituous liquors, only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises (off-sale).



# BEER & WINE STORE #10

Off-sale retail privileges liquor license allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.



# HOTEL MOTEL #11

On-sale retail privileges liquor license allows the holder of a hotel/motel license to sell and serve spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises. The restaurant on the licensed premises must derive at least forty percent (40%) of its gross revenue from the sale of food.



# RESTAURANT #12

On-sale retail privileges liquor license allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food. Failure to meet the 40% food requirement shall result in revocation of the license.



# FARM WINERY #13

On and off-sale retail privileges liquor license allows the holder of an in-state domestic farm winery licensee to produce more than 200 gallons, but less than 40,000 gallons of wine during the 12-month period.



# PRIVATE CLUB #14

On-sale retail privileges liquor license allows the holder of a club license to sell and serve all types of spirituous liquor for consumption only on the premises owned, leased or occupied by the club, and only to bona fide members of the club and their bona fide guests. A "club" is defined in the statutes as including veterans and fraternal organizations and their building associations, golf, social and airline clubs



**SPECIAL EVENT #15  
TO BE DISCUSSED  
LATER**



**WINE FESTIVALS  
&  
CRAFT DISTILLERY FESTIVALS  
#16  
TO BE DISCUSSED LATER**



# CRAFT DISTILLERY #18

On- and off-sale retail privileges. The licensee may serve spirits produced on the premises for consumption on the premises, sampling, and in the original, sealed container for sales "to-go". The licensee may sell and deliver to consumers who order by telephone, mail, fax, catalogue or internet.



# REMOTE TASTING ROOM #19

Remote Tasting Rooms are located in Arizona and are owned and operated by a licensee that concurrently owns one of these four Arizona liquor licenses:

Out-of-state Farm Winery - Series 2W

Out-of-state Craft Distillery - Series 2D

In-state Farm Winery Application Kit - Series 13

In-state Craft Distiller Application Kit - Series 18

When tied to a Remote Tasting Room license the above license becomes the Master License and must be in "active" and good standing for the Remote Tasting Room to operate. The Remote Tasting Room is a retail location.

Farm Winery licensees may have two (2) remote tasting room licenses tied to their Master License. Craft Distillery licensees may have one (1) remote tasting room license tied to their Master License.



**ALTERNATING  
PROPRIETER #20  
&  
CUSTOM CRUSH #21  
TO BE DISCUSSED  
SOON!**



# Interim Permit

- Is a conditional permit and authorizes the holder to sell such alcoholic beverages as would be permitted to be sold under the privileges of the license for which application has been filed with the Department.
- License has to be of the same series license that is currently there. (4-203.01)



License Series	License Name	Authorizing Statute	Retail Privileges	May Stack With
1	In-state producer	A.R.S. §4-209	n/a	6, 7, 12
2 2D 2L 2M 2W	Out-of-state producer Includes out-of-state: producer – 2 craft distiller – 2D, limited winery – 2L, microbrewery – 2M, farm winery licenses – 2W	A.R.S. §4-209	n/a	n/a
3	In-state Microbrewery	A.R.S. §4-205.08 A.R.S. §4-205.09	On & Off	6, 7, 12, 13*
4	Wholesaler/distributor	A.R.S. §4-209	n/a	n/a
5	Government	A.R.S. §4-205.03	n/a	n/a
6	Bar	A.R.S. §4-206.01 A.R.S. §4-209	On & Off	1, 3, 10 18
7	Beer and Wine Bar	A.R.S. §4-206.01 A.R.S. §4-209	On & Off	1, 3, 9, 9S, 10, 10S, 12
8	Conveyance	A.R.S. §4-205.07	n/a	n/a
9 9S	Liquor Store Liquor Store w/Sampling Priv.	A.R.S. §4-206.01 A.R.S. §4-209	Off	7
10 10S	Beer and Wine Store B&W Store w/Sampling Priv.	A.R.S. §4-209	Off	6, 7
11	Hotel/Motel w/Restaurant	A.R.S. §4-205.01 A.R.S. §4-205.06	n/a	n/a
12	Restaurant	A.R.S. §4-205.02	On	1, 3, 7, 13, 18
13	In-state Farm Winery	A.R.S. §4-205.04 A.R.S. §4-205.09	On & Off	3*, 13**, 12, 18,
14	Private Club	A.R.S. §4-205	n/a	n/a
15	Special Event	A.R.S. §4-203.02(B) A.R.S. §4-205.04 A.R.S. §4-205.10	On & Off	any in-state liquor licensed premises and 16W, 16D
16W 16D	Fair/Festival includes wine fair/festival – 16W craft distiller fair/festival – 16D	A.R.S. §4-203.02 A.R.S. §4-203.03 A.R.S. §4-205.11	On & Off	15
17	Direct Shipment	A.R.S. §4-203.04	n/a	n/a
18	In-state Craft Distiller	A.R.S. §4-205.04 (G) A.R.S. §4-205.10 (C)(4)	On & Off	6, 12, 13
19D 19W	Remote Tasting Room Includes: craft distillers tasting room – 19D farm winery tasting room – 19W	A.R.S. §4-205.04 A.R.S. §4-205.09 A.R.S. §4-205.10 (C)(4)	n/a	n/a



# Who may apply for a License

1. If an individual applies for a license, the individual shall be:
  - a. A citizen of the United States or a legal resident alien, and
  - b. A bona fide resident of Arizona;
  
2. If a partnership applies for a license, each partner shall meet the criteria in subsection (A)(1);
  
3. Except as provided in subsection (A)(6), if a corporation or limited liability company applies for a license, the corporation or limited liability company shall be:
  - a. Qualified to do business in Arizona, and
  - b. Hold the license through an agent who is an individual that meets the criteria in subsection (A)(1);



# Who may apply for a License

## 4. If a limited partnership applies for a license:

- a. An individual general partner, but not a limited partner, shall meet the criteria in subsection (A)(1), and
- b. A corporate general partner shall meet the criteria in subsection (A)(3);

5. If a club or governmental entity applies for a license, the club or governmental entity shall hold the license through an agent who is an individual that meets the criteria in subsection (A)(1);

6. If an out-of-state entity applies for a license, the out-of-state entity shall hold the license through an agent who meets the standard described in A.R.S. § 4-202(A).



# **No license shall be issued to any person who**

- **Within one year before application, has had a license revoked.**
- **The director shall not issue an interim permit or restaurant license to any person who, at the same location, has been required to surrender a restaurant license pursuant to section 4-205.02, subsection D or section 4-213 until twelve months after the date of the surrender.**
- **No license shall be issued to or renewed for any person who, within five years before application, has been convicted of a felony, or convicted of an offense in another state that would be a felony in this state. For a conviction of a corporation to be a basis for a denial under the provisions of this section, the limitations that are 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 per cent or more of the corporation.**



# **DIFFERENT TYPES OF OWNERSHIP**

- 1.Individual Owner**
- 2.J.T.W.R.O.S**
- 3.PARTNERSHIP**
- 4.CORPORATION**
- 5.LIMITED LIABILITY CO. – LLC**
- 6.CLUB**
- 7.GOVERNMENT**
- 8.TRUST**
- 9.TRIBE**



# Individual Owner

**The individual owner must be an Arizona resident. Acceptable proof of Arizona residency is valid Arizona drivers license or voter registration card. Applicant must be a US citizen or have proof of US citizenship. If born outside the US, must submit proof of citizenship or alien status from one of the following: \*Certificate of Naturalization \* US Passport \*Permanent Resident Alien Card. If the applicant was born outside the US, of US parents, in a military hospital, they must show copy of birth certificate.**



# J.T.W.R.O.S

**Joint Tenant with Rights of Survivorship, means that a number of applicants can own 100% equal shares. Qualifications are the same as for individual ownership. Must be an Arizona resident and US citizen. All applicants must provide a questionnaire and fingerprint card.**



# PARTNERSHIP

Partnership can consist of Individuals, Corporations, Trust or LLC. If a corporation is a partner, they must submit a questionnaire and fingerprint card for the President of the corporation. If a Trust is a partner, the Trustee of the trust must provide a questionnaire and fingerprint card. If the LLC is a partner they must provide a questionnaire and fingerprint card from the managing member of the LLC. ALL partners must submit questionnaires and fingerprint cards regardless of the percentage owned. General partners must be an Arizona resident and US citizen. Limited partners must be US citizen only. Agent on the partnership can be any qualified person and can change at any time. A partnership can never consist of just ONE person.



# **CORPORATION**

**Corporations must be filed and in good standing with the Arizona Corporation Commission. Articles of Incorporation are acceptable with the received stamp of the Corporation Commission if the corporation is not listed on the system. All Corporation filings must provide a questionnaire and fingerprint card from two corporate officers, President and any other controlling officer, such as Vice President, Secretary or Treasurer. The Corporation must list all stockholders adding up to 100%. Any stockholders owing 10% or more of the stock must provide a questionnaire and fingerprint card. If another Corporation or LLC owns the stock, they must disclose the corporate name and provide a questionnaire and fingerprint card from the President of the Corporation or Managing Member of the LLC.**



# LIMITED LIABILITY CO. – LLC

**An LLC must be filed and in good standing with the Arizona Corporation Commission. If the status is pending at the time of application, that is acceptable. LLC's must submit copies of the Articles of Organization and Operating Agreement at the time of application. LLC's can have Members, Managing Members or Managers; these individuals do not have to be a resident of Arizona or US citizen. All Members, Managing Members and stockholders owning 10% or more must provide questionnaires and fingerprint cards. If there are multiple Members listed on the articles and no managing members listed, at least 2 Members need to provide questionnaires and fingerprint cards. All managing members and managers must provide a questionnaire and fingerprint card regardless of stock owned. If the owner is a Corporation or LLC a flowchart must be submitted with the application and one person from each Corporation or LLC must submit a questionnaire and fingerprint card. If the owner of the LLC is not a citizen of the US, the department will accept his/her liquor training only when a qualified (Arizona Resident & proof of US Citizenship) manager's agreement is submitted with a questionnaire and fingerprint card.**



# CLUB

**Private clubs generally are for American Legions, VFW's, Elks, etc. They must provide a questionnaire and fingerprint card from 4 club members. They have the same qualifications as a Corporation. They must provide a copy of their Club Charter.**



# GOVERNMENT

**Government licenses are for cities and county organizations. They are not required to provide questionnaires and fingerprint cards from officers. They only provide a questionnaire and fingerprint card from the Agent on the license. There is no stock issued or owned.**



# TRUST

**Trust normally has Trustee's appointed to represent the Trust. They must provide copies of the Trust at the time of application. ALL Trustee's listed must provide a questionnaire and fingerprint card. Trustees must be 21 years of age. Questionnaire and fingerprint cards are not required from the persons listed in the Trust. The Trustee must be an Arizona Resident and US citizen.**



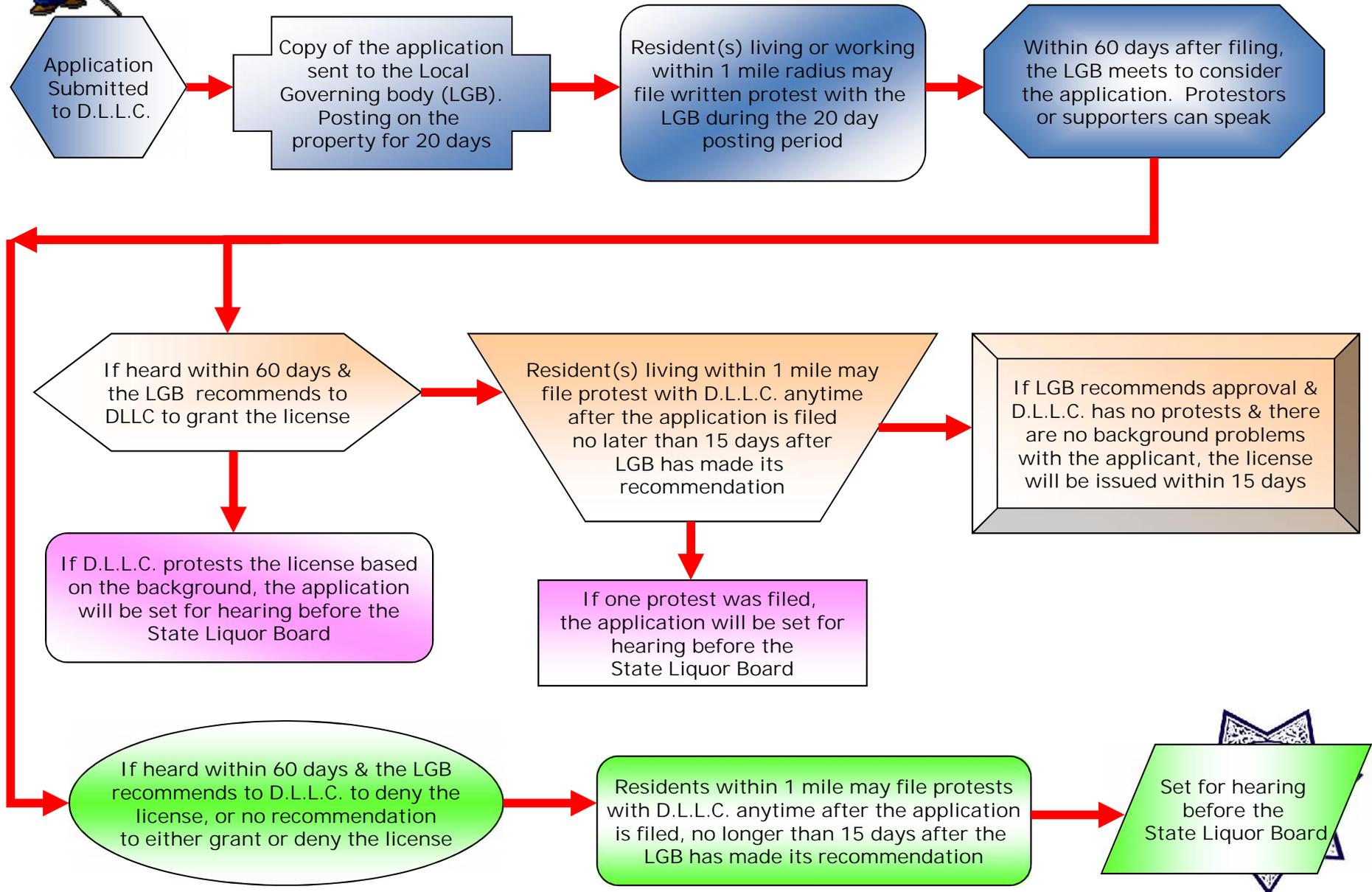
# TRIBE

**Indian tribes are not required to provide questionnaires and fingerprint cards for the Tribal Council. The agent must provide a questionnaire and fingerprint card, they must be an Arizona resident and US citizen. There is no section specifically for a Tribe license, so have them complete section 7. Tribes can sometimes be tricky; you may want to check LCS to see how they have been done in the past.**





# Liquor Application Process



# **A.R.S. 4-201**

**DLLC receives application**

**DLLC forwards two copies of application to LGB**

**LGB shall post one copy of application for  
20 days on premises (front page only)**

**LGB shall post Statement with application**

**LGB files second copy with clerk's office**

**Aggrieved parties need to file written arguments for or against  
with LGB within the 20 days**

**Must send notification to DLLC**

**60 days to make a recommendation (approval or denial) and posting**

**This can be extended if no meeting is scheduled or if LGB has not  
completed review. (DLLC must be notified)**

**Maximum amount of time is 105 days**

**If no recommendation is made DLLC can issue license after the 60<sup>th</sup> day**



**The governing body of the city, town or county shall then enter an order recommending approval or disapproval within sixty days after filing of the application and shall file a certified copy of the order with the director. If the recommendation is for disapproval, a statement of the specific reasons containing a summary of the testimony or other evidence supporting the recommendation for disapproval shall be attached to the order. All petitions submitted to the governing body within the twenty-day period for filing protests shall be transmitted to the director with the certified copy of the order.**



## Notice

A hearing on a liquor license application shall be held before the local governing body at the following date, time and place:

(Insert date, time and address)

The local governing body will recommend to the state liquor board whether the board should grant or deny the license. The state liquor board may hold a hearing to consider the recommendation of the local governing body. Any person residing or owning or leasing property within a one-mile radius may contact the state liquor board in writing to register as a protestor. To request information regarding procedures before the board and notice of any board hearings regarding this application, contact the state liquor board at:



## **"Aggrieved party"**

**Means 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.**



The written argument shall contain the natural person's complete name, street address or post office box address and written or electronic signature. If the written arguments are filed by a person on behalf of a **corporation or other legal entity or association**, the written arguments must be accompanied by a copy of the entity's organizing document, a designation of the office or position that the person holds within the organization and a copy of the written appointment of the person to speak on behalf of the organization. If the written arguments are filed by a **neighborhood association, block watch or other unincorporated association**, written arguments must be accompanied by a letter of authority designating that person as a spokesperson. The posting shall contain substantially the following:



Any natural person residing or owning or leasing property within a one mile radius of the proposed location may file a written protest with the director no later than fifteen calendar days following action by the local governing body or sixty days after filing the application.



Type of Application		Acceptable Protest
1	New License	May Protest Person and Location
2	Person Transfer	May Protest <b>"ONLY"</b> Person
3	Location Transfer	May Protest <b>"ONLY"</b> Location
4	Location and Person Transfer	May Protest Person and/or Location

## Types of Liquor License Applications and Acceptable Reasons to Protest



**It is always the responsibility of the applicant to prove that the granting of a license would be in the best interest of the public and / or that the granting of the license is required for the need and convenience of the public**



# **R19-1-702. Determining Whether to Grant a License for a Certain Locations**

**A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:**



- 1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;**
- 2. Number and types of licenses within one mile of the proposed premises;**
- 3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;**
- 4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;**
- 5. Residential and commercial population density within one mile of the proposed premises;**
- 6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;**

**R19-1-702**



- 7. Effect on vehicular traffic within one mile of the proposed premises;**
- 8. Compatibility of the proposed business with other activity within one mile of the proposed premises;**
- 9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;**
- 10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;**
- 11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and**
- 12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.**

**R19-1-702**



# 300 ft. RULE

## Applies to retail licenses only

- 6's
- 7's
- 9's
- 10's

## Exempted

- Special Events
- Restaurants licenses (12 and 11)
- Government licenses
- Playing area of Golf Course
- Wholesalers
- Producers

**KEEP BACK  
300 FEET**





300 feet from the closest point of the church to the closest point of the proposed licensed premises



If the retail liquor license was issued to the location before the church was open and running the retail license stays in place and can be transferred to new owners at the same location

"Church" means a building which is erected or converted for use as a church, where services are regularly convened, that is used primarily for religious worship and schooling and that a reasonable person would conclude is a church by reason of design, signs or architectural or other features.



Back to School



Closest point of retail premises to closest point of school. If a fenced recreational yard is closer than school it is measured to the fence.



If the retail liquor license was issued to the location before the school was open and running the retail license stays in place and can be transferred to new owners at the same location

“School” Public or Private with any grades K through 12.



# Exceptions

"Entertainment district" means a specific contiguous area that is designated an entertainment district by a resolution adopted by the governing body of a city or town, that consists of no more than one square mile, that is no less than one-eighth of a mile in width and that contains a significant number of entertainment, artistic and cultural venues, including music halls, concert facilities, theaters, arenas, stadiums, museums, studios, galleries, restaurants, bars and other related facilities.

## LGB

At least 500,000 = 3

250,000 to 500,000 = 2

Up to 250,000 = 1

If retailer was there first:

Person to Person Transfers

New licenses of same type

9's exchanged for 10's

10's exchanged for 9's



License Series	01	03	04	05	06	07	08	09	10	Total
Pima 10	0	17	9	16	204	165	3	267	302	983
Santa Cruz 12	0	0	2	1	18	8	0	14	29	72
Cochise 02	0	2	1	3	56	25	0	41	54	182
AZ	8	93	110	87	1281	814	19	1480	2275	6167
Percentage	0	20%	10%	22%	21%	24%	16%	22%	16%	20%



License Series	11	12	13	14	15	16	18	19	total
Pima 10	31	503	6	42	387	24	4	0	997
Santa Cruz 12	2	31	13	1	33	78	1	1	160
Cochise 02	5	47	28	14	60	89	3	1	247
AZ	169	3495	92	278	2997	←	17	19	7076
Percentage	23%	16%	51%	20%	22%	←	47%	10%	<u>20%</u>



	02	2W	2L	2M	2D	17	Total
Arizona	1180	503	191	30	0	45	1949
Out of State							

Total number of licenses issued by DLLC  
Permanent = 12195  
Event / Festivals = 2997

Registered Retail Co-ops = 283



# Sampling the Consumer



# PERMANENT SAMPLING PRIVELEGE “S”

## Series 9

- All series 9 qualify
- Application sent to LGB by DLLC
- Same requirements as regular application 4-201
- Time frames apply

## Series 10

- Licensed premises has to be at least 5000 sq ft
- Application sent to LGB by DLLC
- Same requirements as regular application 4-201
- Time frames apply

**NOTE: LGB cannot charge a fee for sampling application**



# Off-Sale Locations Series 9 and 10

## Even the locations with Permanent Sampling

- Producer or Wholesaler brings the product
- 12 samplings per Wholesaler every year at each qualifying location
- 12 samplings per Producer every year at each qualifying location
- Must notify DLLC 10 days prior to event
- Only one Wholesaler or Producer each day
- Limited to 3oz beer, 1 1/2oz wine or 1oz distilled per person per day
- Limited to 3 hours
- Product must come from Wholesaler
- Designate area and secure it
- No benefits for retailer



## NOTICE OF SAMPLING

Sampling Event Location:

**FRY'S #52**

855 W WARNER RD  
GILBERT AZ 85233

**09070617**

Event Date:

July 26, 2014

Event Start Time:

05:00 PM

Event Sponsor Name:

CRESCENT CROWN DISTRIBUTING

Event Sponsor Liquor License #: 04077021



Alan Everett, Director

Form 41414



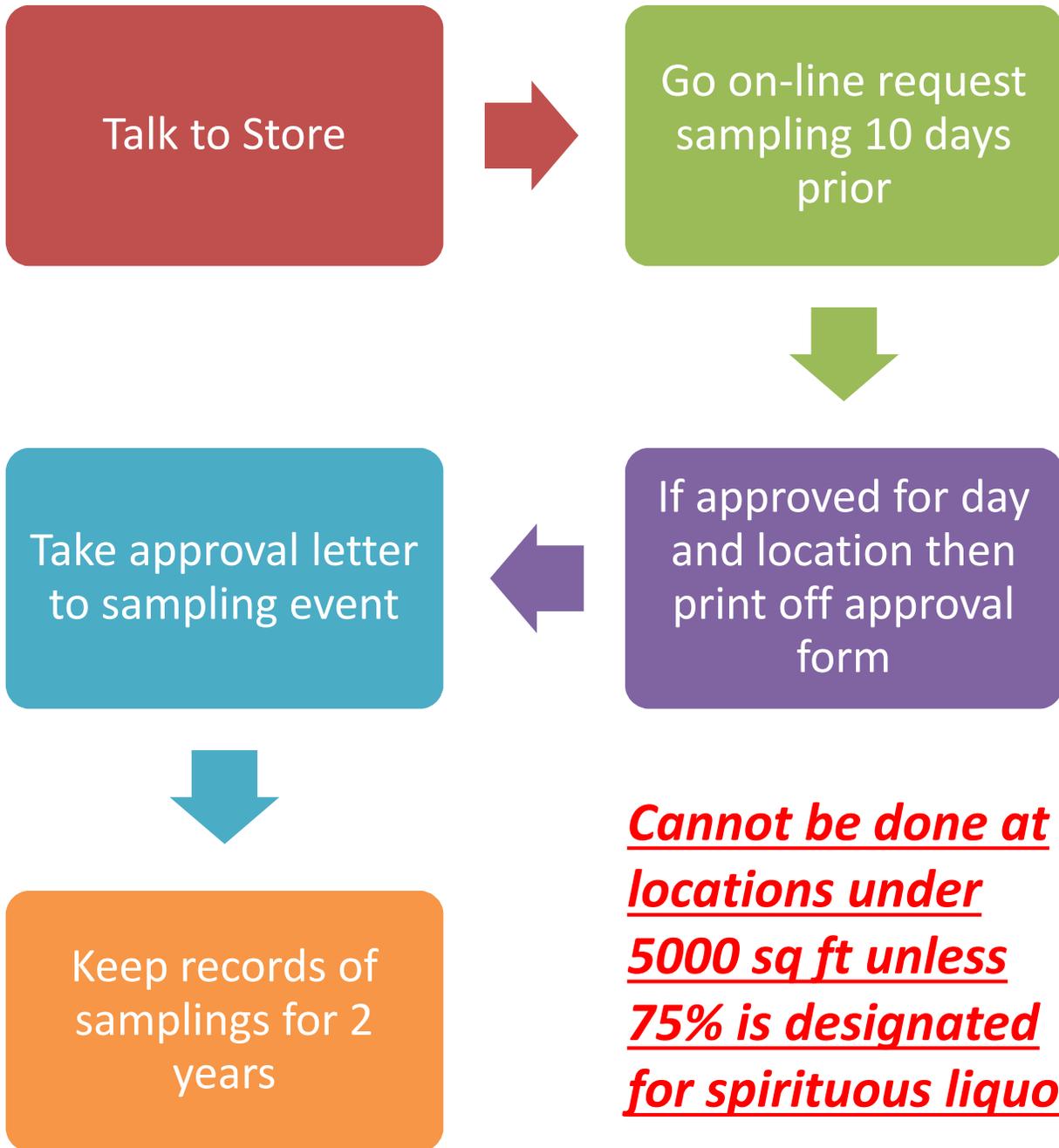
## A.R.S. § 4-243

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# Commercial Coercion & Bribery

- sampling to 72 oz. of beer and 2 oz. of distilled spirituous per person, per day for consumption off premises (not wine)

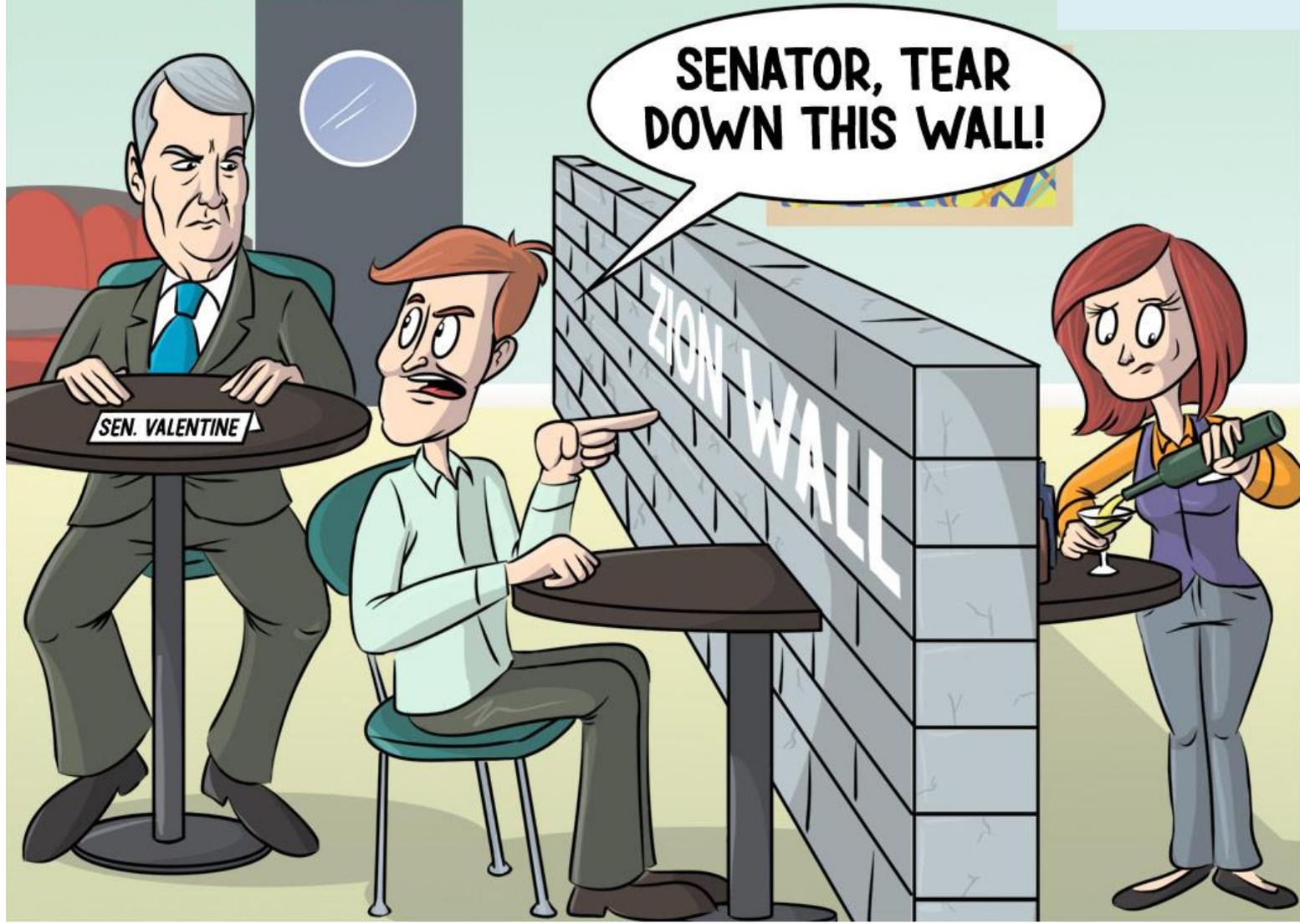




**Cannot be done at locations under 5000 sq ft unless 75% is designated for spirituous liquor**







# 9 and 10 vs. 9S and 10S

## 9 and 10

- Product comes from Wholesaler
- Can only have 12 per Wholesaler and Producer each calendar year
- Wholesaler or Producer must request and receive permission from DLLC 10 days early

## 9S and 10S

- Product comes from store stock
- Can have sampling anytime they want from their stock
- Producer / Wholesaler can be present
- Can still have 12 free from Producers and Wholesalers



# Store with 9 or 10 with a **7 “stacked”**

## Sampling for 9

- Product comes from Wholesaler
- DLLC notified 10 days prior
- Limited to 3oz beer, 1 1/2oz wine or 1oz distilled per person per day

## Sampling for 7

- DLLC not notified
- Consumer present
- Conducted by Wholesaler or Producer
- 12oz beer, 6oz wine or 2oz spirits (per person per brand)
- No benefits to retailer



Grocery Store with Series 9 or 10

**Beer  
and  
Wine  
Bar**

Liquor area





Series 15 License



STATE OF ARIZONA  
DEPARTMENT OF LIQUOR LICENSES  
AND CONTROL  
ALCOHOLIC BEVERAGE LICENSE



POST THIS LICENSE IN A CONSPICUOUS PLACE



# Qualifying Organizations

- 1) Charitable Organization (non-profit)
- 2) Civic Organization (Rotary and Scholarships)
- 3) Political Party or campaign committee supporting a candidate or ballot measure
- 4) Fraternal organization in existence over 5 years
- 5) Religious Organization (Church)



# Your For Non-profit check AZ Corp Commission

 <http://ecorp.azcc.gov/Search>

## Additional Entity Information

<b>Entity Type:</b> NON-PROFIT	<b>Business Type:</b> CHARITABLE
<b>Incorporation Date:</b> 9/9/1986	<b>Corporation Life Period:</b> PERPETUAL
<b>Domicile:</b> ARIZONA	<b>County:</b> MARICOPA
<b>Approval Date:</b> 9/12/1986	<b>Original Publish Date:</b> 11/4/1986

## Officer Information



# Civic Organization



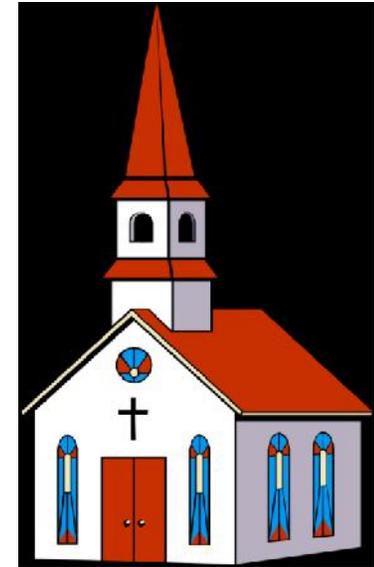
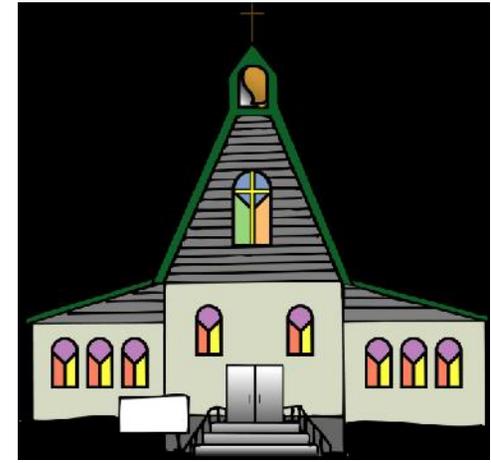
scholarships





**YES**  
ON  
**487**



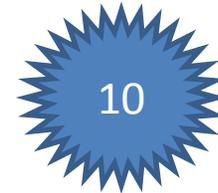


Fraternal organizations need to be in existence for over 5 years



# Each Qualifying Organization

- Only allowed 10 days each year
  - Monitored via LCS
  - Can take all ten in a row or spread them out
- \$25.00 a day
- On-sale (25% of gross alcohol sales to QO)
- Auction (75% of gross alcohol sales to QO)
  - Auctions limited to 20 cases annually



# Where can they get the alcohol

- Can purchase from retailer with off-sale privileges (10's, 9's, 7's, 6's, 13's, 3's & 18's)
- Can Purchase from Wholesaler (4's)
- Can receive free from Wholesaler or Producer
  - ❖ Campaign and Ballots cannot have donated
- For auction they can also receive wine as a personal donation



# Licensed vs. Unlicensed

## Event Location

### @Licensed Premises

- Only reviewed by DLLC
- No limit on days
- May need a letter from licensee suspending their license
- Can suspend all or part of premises

**NOTE: if event extends past the regular licensed premises it is treated like an unlicensed area and must go to LGB first**

## Event Location

### @Unlicensed area

- Must go to LGB before DLLC
- No more than 12 days a year for locations not owned by GOVERNMENT
- No limit on number of days for Government owned property
- Filed with DLLC 10 days prior to event

12

10  
days



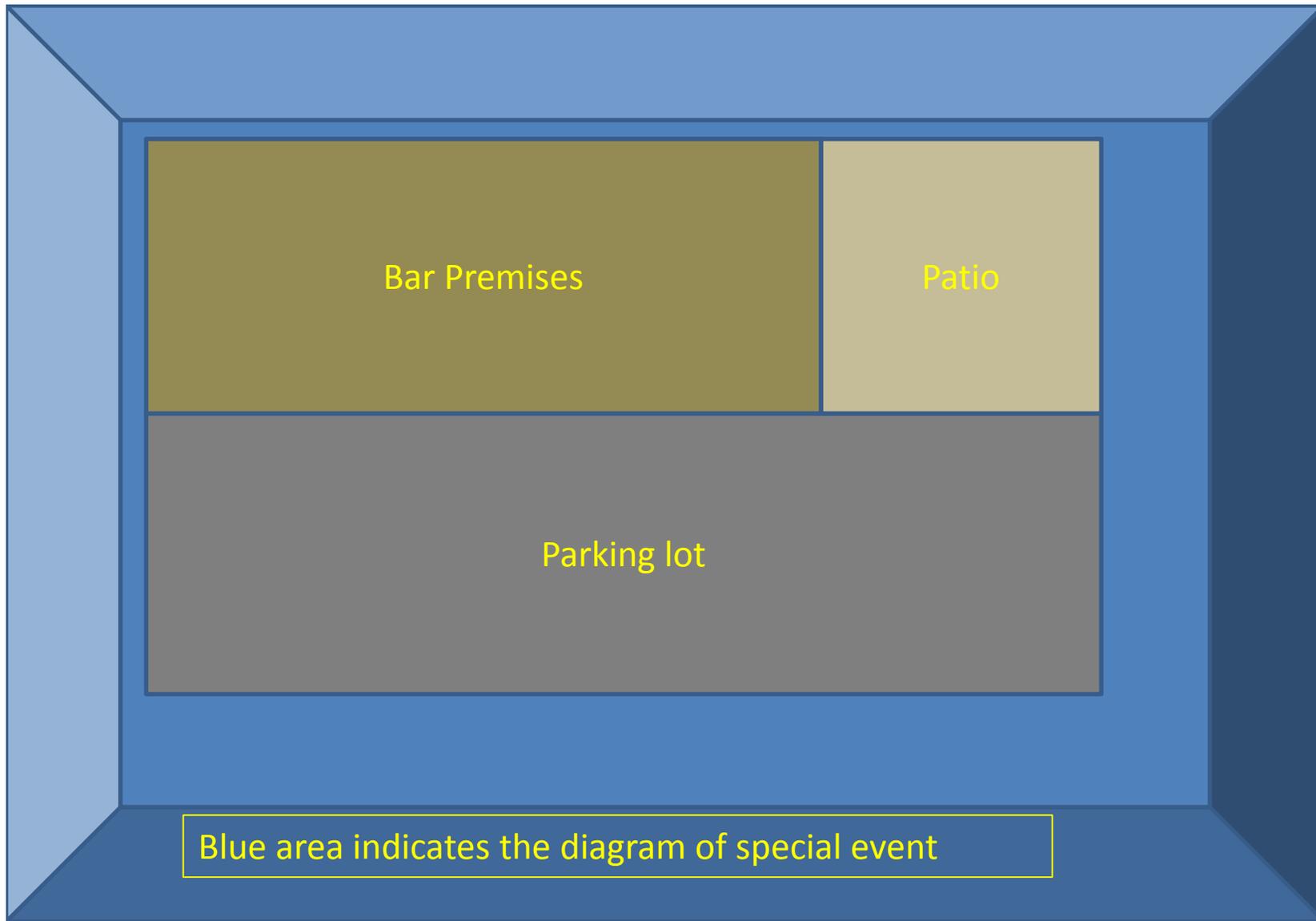
Resort Property (entire property is licensed)

Special Event area  
Conference Room

**The licensed establishment can suspend all or part of their licensed premises so the Special Event can take place.**

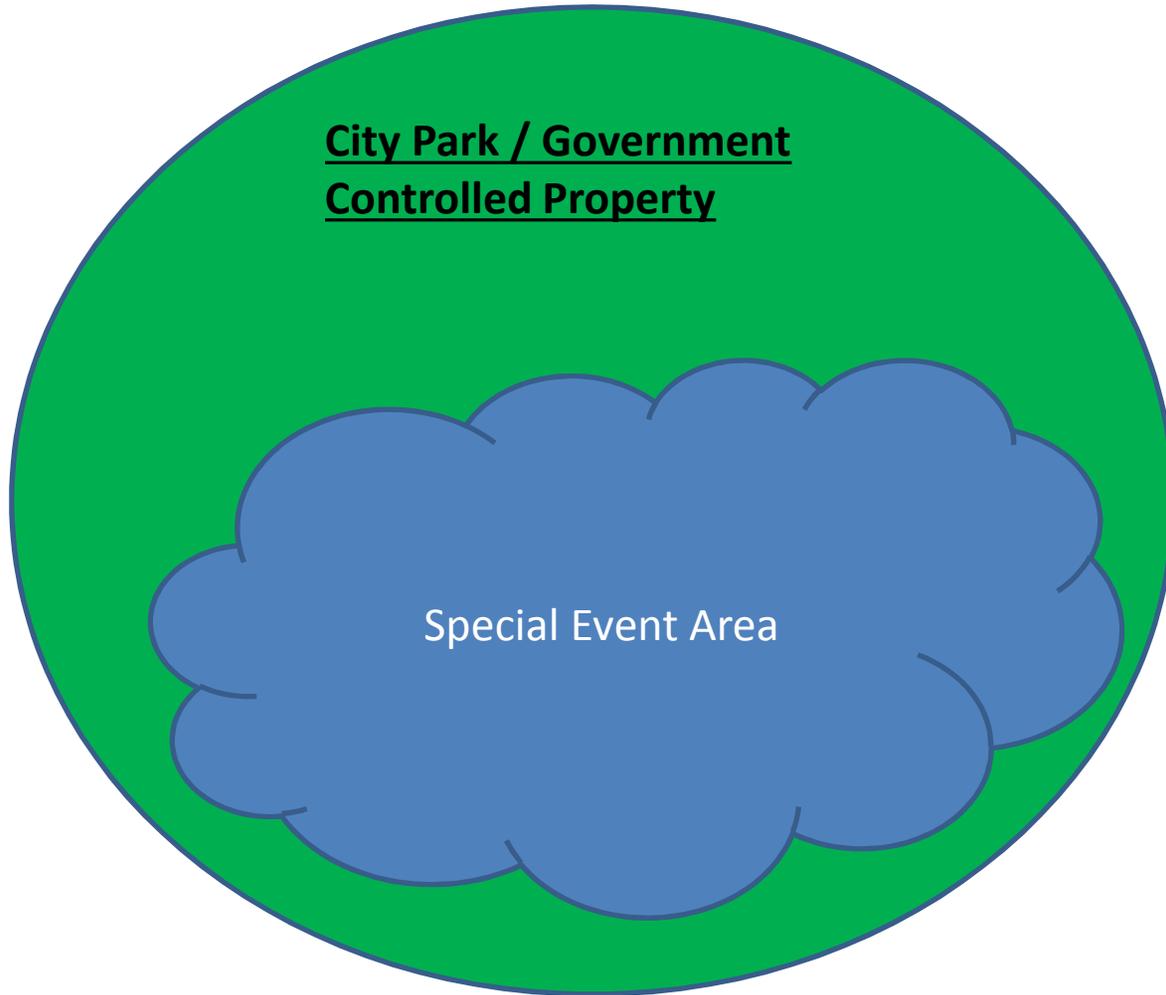
**NOTE: This application only comes to DLLC for approval**





**NOTE: This event would need to go to LBG prior to DLLC**





**NOTE: Must go to LGB and no limit on the number of events they can have.  
Limit still exists for only 10 Special Events per QO**



# A.A.C 318

## Unlicensed area

If a special event occurs at an otherwise unlicensed location, the **special event licensee shall conduct all dispensing, serving, and selling of spirituous liquor**

NOTE: The bartenders and service staff are employees of licensee.



# A.A.C 318

## Licensed Premises

If a special event occurs at the licensed premises of a licensed retailer, the special event licensee shall ensure that one of the following occurs during the special event:

- Four different options
- Must indicate which option on application
- Section #5 on application
- Each require 25% of Gross alcohol sales go to QO



**SECTION 5** How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors? Please read R-19-318 for explanation (look in special event planning guide) and check one of the following boxes.

- Place license in non-use
- Dispense and serve all spirituous liquors under retailer's license
- Dispense and serve all spirituous liquors under special event
- Split premise between special event and retail location

(If not using retail license, submit a letter of agreement from the agent/owner of the licensed premise to suspend the license during the event. If the special event is only using a portion of premise, agent/owner will need to suspend that portion of the premise.)

**SECTION 6** What is the purpose of this event?  On-site consumption  Off-site (auction)  Both

Place License in non-use

- Needs letter from location suspending permanent license
- Special event runs event

Dispense and serve all spirituous liquors under retailer's license

- Retailer controls event sales only the product they purchased from wholesaler (not donated)
- 25% of gross still goes to QO

Dispense and serve all spirituous liquor under special event

- Both are responsible
- Needs letter from location suspending permanent license
- Serve purchased or donated product

Split Premise between special event and retail location

- Split the area
- Retailer responsible for his area
- Special event licensee responsible for his area



# Option #1

The licensed retailer places the license in non-use status and ceases to sell spirituous liquor and the special event licensee dispenses and serves spirituous liquor and ensures that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter;



# Option #2

The licensed retailer dispenses and serves all spirituous liquor under the licensed retailer's license and the special event licensee does not dispense or serve spirituous liquor. The licensed retailer shall dispense and serve only spirituous liquor purchased from a wholesaler and ensure that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter;



# Option #3

The licensed retailer dispenses and serves all spirituous liquor under the special event license and the special event licensee does not dispense or serve spirituous liquor. The licensed retailer shall dispense and serve only spirituous liquor purchased by or donated to the special event licensee. Both the licensed retailer and special event licensee shall ensure that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter; or



# Option #4

The licensed premises of the licensed retailer are divided into two areas as follows:

- a. In the first area, the licensed retailer shall dispense and serve spirituous liquor that is purchased from a wholesaler and ensure that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter; and
- b. In the second area, the special event licensee shall dispense and serve spirituous liquor purchased by or donated to the special event licensee and ensure that all sales of spirituous liquor comply with A.R.S. Title 4 and this Chapter.



# Issues frequently seen

- Cannot sell to go (nothing leaves unless items won via an auction)
- Cannot have set price, set period of time with unlimited drinks (happy hour violation)
- No raffled alcohol





# Wine Festivals series 16

- **Must go to LGB before DLLC**
- **Issued to series 13 and 2W licensees**
- **Maximum 50 licenses per FW**
- **Maximum 150 days per FW**
- **Tracked in LCS**
- **\$15.00 a day**



# Wine Festivals

- **Can sell for on-premises consumption**
- **Can sample on premises**
- **Can sell packaged goods to go in original container**
- **Only product from a series 13 or 2W allowed**

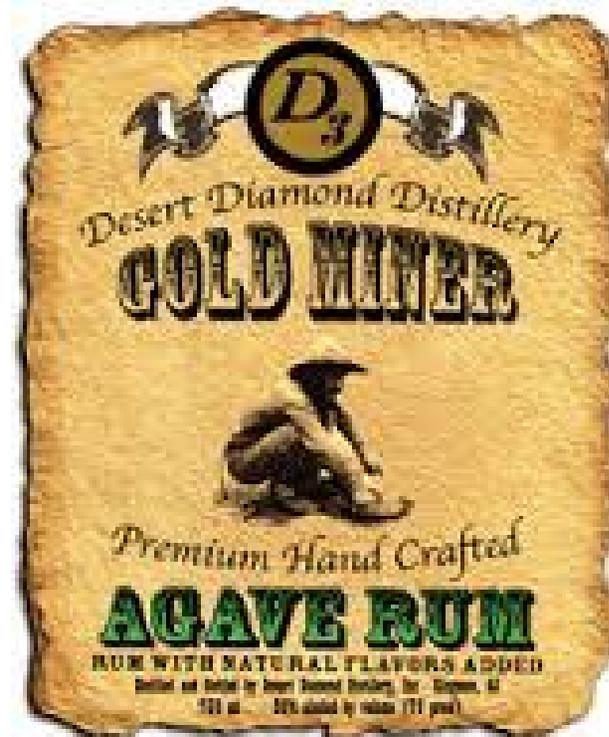
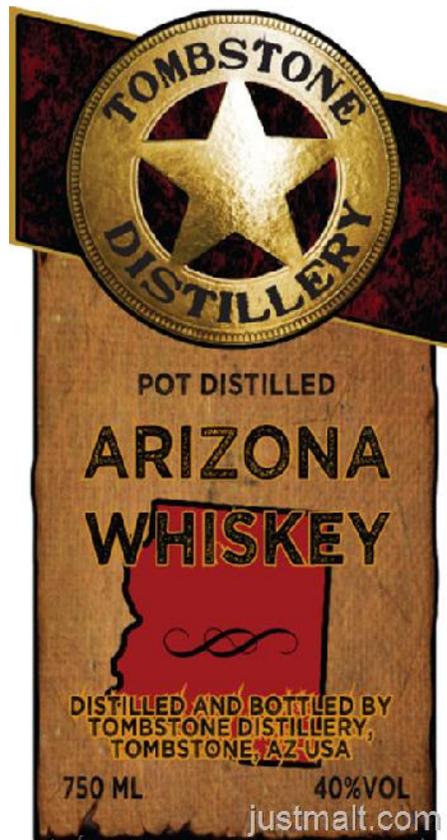


# STILL ON THE HILL



*Arizona*

## CRAFT SPIRITS FESTIVAL



# Craft Distillery Festivals series 16

- **Must go to LGB before DLLC**
- **Issued to series 18 and 2D licensees**
- **Maximum 25 licenses per FW**
- **Maximum 75 days per FW**
- **Tracked in LCS**
- **\$15.00 a day**



# Craft Distillery Festivals

- Can sell for on-premises consumption
- Can sample on premises
- Can sell packaged goods to go in original container
- Only product from a series 18 or 2D allowed



**Now wait for it!**



**Craft Distillery Festivals  
can stack with  
Special Events**

**&**

**Wine Festivals  
Can stack with  
Special Events**



**Each specific license  
Keeps their specific  
Privileges**

**Multiple 16's can be  
Stacked with a  
Special Event**



16's can only stack  
when

Regular retail license is  
**SUSPENDED**



# Question Time

?



# Direct Shipment License



Series 17 License



**Appearances are  
often deceiving.**

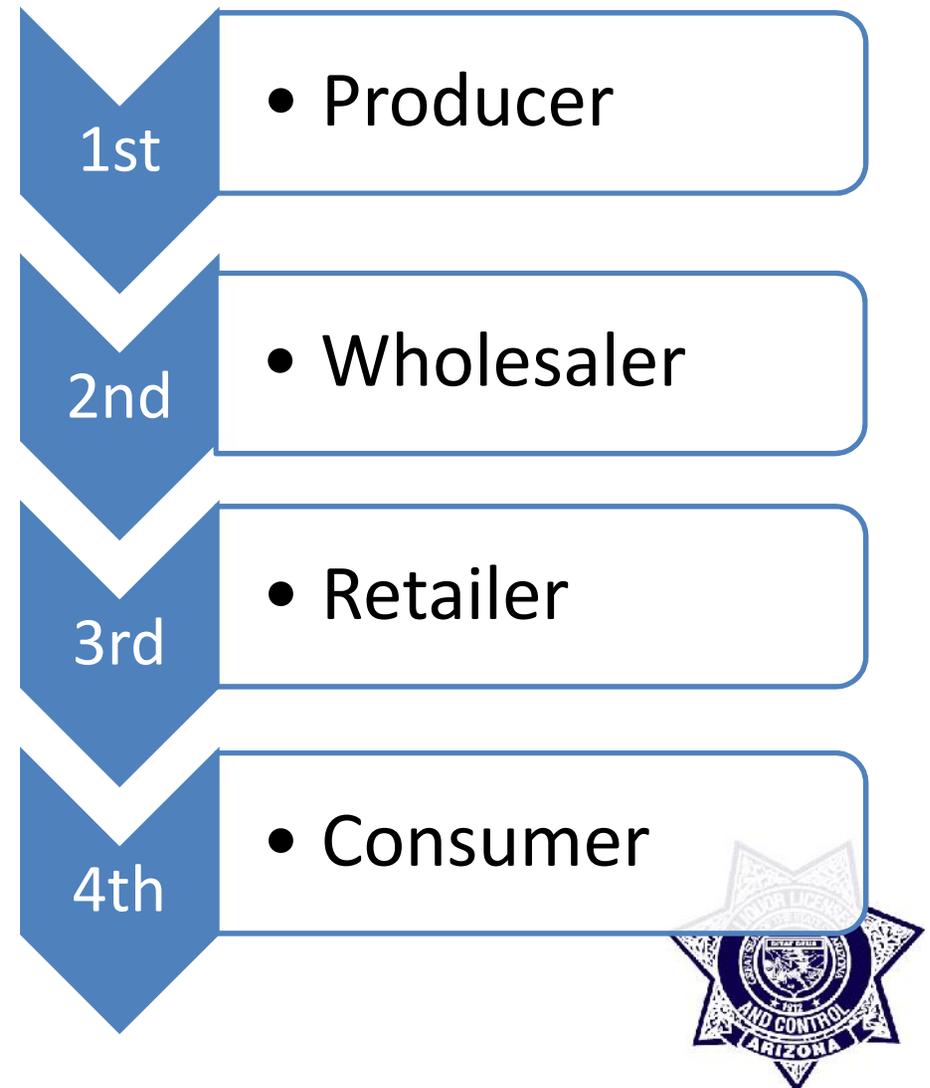


**~ Aesop**



# Direct Shipment License #17

- **Cannot** ship direct to consumer
- Must follow the 3-tiered system
- Valid for 3 years
- Cannot renew or transfer
- May apply for new one “not more than 90 days”

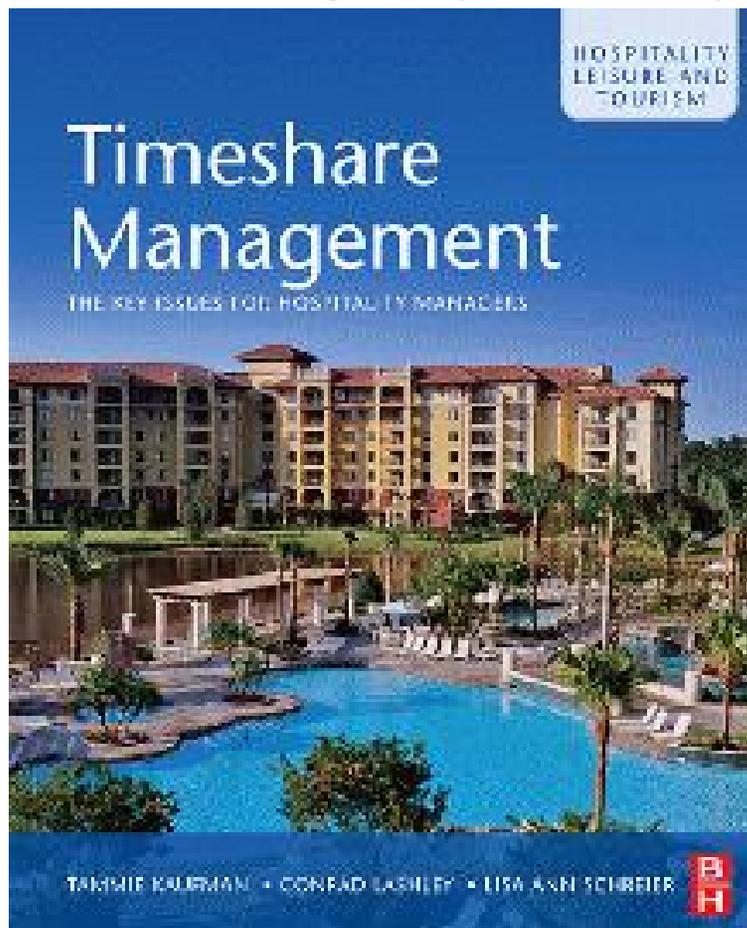


*something*

**NEW**

# Series 20 and Series 21

## Alternating Proprietorship

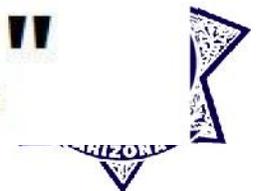


## Custom Crush



One day, I want to honestly say,

**"I made it."**

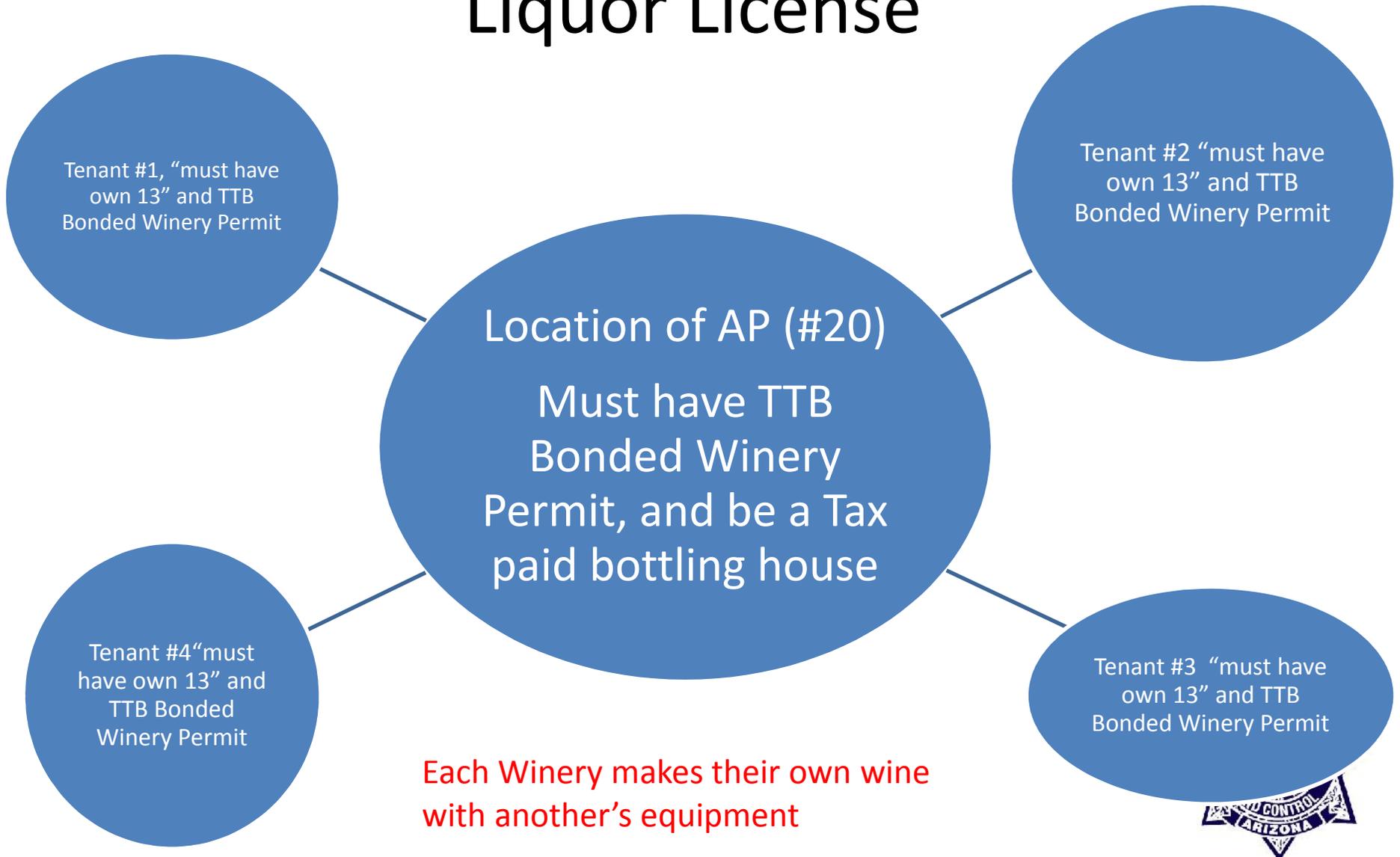


# Series 20 license (AP)

- Will file regular application but will also have added forms (contracts)
- Will be confusing (ties in multiple 13's)
- Follow procedure as with all new application and it goes to Local Governing Body
- Renews at end of February after confirmation of production reports



# Alternating Proprietorship Series 20 Liquor License





Grapes grown at 13



The originating 13 use the series 20's equipment to make my wine. The 20 location is like a "timeshare/rental".

**Original 13 retains "title" to product at all stages of process**



I bring wine back to my 13 to be sold under my 13





Fruit from farm



Bulk wine (in bond only)



Bottled wine (out of bond)



- If wine is bottled the bottler owns the wine and gets the COLAS
- Wine can only be transferred in bond to a bonded winery
- Host and Tennant need to be bonded wineries



# Custom Crush License #21

- Easiest application ever
- Done like Registered Retail Co-op
  - Quick turn around
- Does not go to Local Governing Body
- Nothing new happening on the premises other than what they do under the 13
- Custom Crush (CC) needs to have TTB bonded Winery Permit
- Renews in February to ensure production reports are received



Series 13 owns the fruit and sends it to the CC



CC / Series 21 makes wine out of the fruit



Wine is then transferred to the originating series 13



Reporting done by each series 13 that has the series 21 make their wine

**The original 13 owns fruit, the 21 makes the wine for them.**



# 20070001

- 13021258
- 13041514
- 13031352
- 13072545
- 13141125

All connecting licenses will be listed and tracked

- Will renew at end of February every year
- Cannot renew unless production reports for each license are filed
- Receipts printed through Speak Easy
- Speak Easy will track expiration and generate renewal
- Updating clients or new members will be done through Speak Easy



# Farm Winery 13 / Out of State Farm Winery 2W

**1<sup>st</sup> LEVEL**  
**200 to 20,000**



**2<sup>nd</sup> LEVEL**  
**20,001 to 40,000**



# 1<sup>st</sup> level

- 200 – 20,000 gallons
- To Wholesalers
- To Consumers for on and off
- Can sell other Farm Winery products (only when customer is present) **20 % rule**
- To retailers and other FW's
- Sales and deliveries via “phone, fax, catalogue and internet”



# 1<sup>st</sup> level

1. The purchaser of the wine provided the licensed farm winery with verification of the purchaser's legal age to purchase alcohol.
2. The shipping container in which the wine is shipped is marked to require the signature on delivery of an adult who is of legal age to purchase alcohol and delivery confirmation.
3. The wine is for personal use only and not for resale.
4. The wine is delivered by the licensed farm winery or shipped by the licensed farm winery by a common carrier to a residential or business address other than a premises licensed pursuant to this title.
5. The purchaser could have carried the wine lawfully into or within this state.
6. The delivery is made by a person who is at least twenty-one years of age.
7. The farm winery shall collect payment for the price of the spirituous liquor no later than at the time of delivery.



The day they go over 20,000



## 2<sup>nd</sup> level

- 20,000 to 40,000
- To Wholesalers
- To consumers present, for on & off
- Can sell other Farm Winey products (only when customer is present) **20 % rule**
- **No sales to retailers at this level**



# The day they go over 40,000

- They now need a Producers License
- Series 1 if in Arizona
- Series 2 if out of state

Leave the  
past behind.  
It's time to  
move on to  
bigger and  
better things.

[CALIFORNIA.COM](http://CALIFORNIA.COM)



There's an exception to every rule

**i before e  
except  
after c.**

**weird.**



# A.R.S. 4-203.04

## “Wine Club”

J. **Notwithstanding any other law**, a person may ship wine as long as all of the following apply:

1. The wine was purchased while the purchaser was physically present at the winery.
2. The purchaser of the wine provided the winery verification of legal age to purchase alcohol.
3. The shipping container in which the wine is shipped is marked to require the signature on delivery of an adult who is of legal age to purchase alcohol and delivery confirmation.
4. The wine is for **personal use only** and not for resale.
5. The winery ships to a residential or business address other than a premises licensed pursuant to this title.
6. The purchaser could have carried the wine lawfully into or within this state
7. The winery ships **not more than two cases of wine** per winery to the purchaser in any calendar year.



# Not a 13

- If they buy wine from another person already made and never had control over fruit
- 13 is an “other producer”
- They need a TTB Wholesale License if someone else is just selling them wine to sell to others





## Arizona Department of Liquor Licenses and Control



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**Phone (602) 542-9041**

**[Craig.miller@azliquor.gov](mailto:Craig.miller@azliquor.gov)**



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