

2015 RANDOM SELECTION DRAWING RULES

PLEASE REVIEW CAREFULLY

1. **Random Selection Drawing.** If the number of 2015 lottery entrants exceed the number of licenses available in a county, a Random Selection Drawing will be conducted on Monday, June 22, 2015, at 10:00 a.m. in the auditorium of the Industrial Commission Building located at 800 W. Washington, Phoenix, Arizona 85007.

The random selection process will be overseen by an independent accounting firm that will:

- a) assign an ID number to each entrant to participate in the Drawing. Prior to the date of the Random Selection Drawing, the firm will mail, via U.S. Mail, assigned numbers to entrants address as it appears on the entry form.
 - b) during the drawing, applicants and alternates will be drawn for each license series in each county.
 - c) alternates shall be eligible to apply for the license in the event a successful applicant elects to withdraw, forfeit, or is disqualified. An list of alternate applicants will be maintained until all new licenses have been issued.
 - d) applicants and alternates named in the random selection drawing will be posted within 24 hours of the Drawing on the Arizona Department of Liquor Licenses and Control website (<http://www.azliquor.gov/lottery.cfm>) and Department of Liquor offices which are located in the Industrial Commission of Arizona Building, 800 W. Washington, 5thFloor, Phoenix, Arizona 85007.
2. **Applicants Selected in the Drawing:** Upon completion of the Random Selection Drawing, selected applicants will be notified by U.S. Mail to the address as it appears on the entry form. Upon receipt of a completed application, questionnaire, fingerprint card, and fees the Department of Liquor will route the application to the appropriate local government for immediate posting at the proposed location and for processing. In addition to the state forms and fees, the local government may have their own application and fees.
 3. **Alternate Applicants:** Upon disqualification, withdrawal or forfeiture of an applicant selected in the Drawing, the option to apply for the license immediately goes to the alternate. The alternate will be notified by phone and U.S. Mail.

4. **Disqualification, Withdrawal and Forfeiture:**

Disqualification: Applicants will be required to meet the qualifications of licensure before obtaining the license. (*A.R.S. §4-202 and §4-203*). When an applicant doesn't meet the qualifications, they are disqualified. Fees identifies as "non-refundable" will not be returned.

Withdrawal: An applicant may withdraw at any time. Without exception, fees identified as "non-refundable" will not be returned.

Forfeiture: There are several ways to forfeit a lottery license. Here are some examples:

1. Without exception, when an entrant or applicant fails to pay fees in the manner and by the due dates described on this form, they forfeit the opportunity to apply.
2. Without exception, when an entrant fails to establish a physical location for the licensed business by Monday, May 28, 2018, they forfeit the opportunity to apply.

5. **Fees:**

Non-refundable Fifty Percent (50%) Deposit: The non-refundable deposit of fifty percent (50%) of the fair market value of the license shall be paid (certified funds only) to the Department of Liquor before 3:00 p.m. Monday, October 5, 2015. Without exception, failure to submit payment will result in automatic forfeiture.

Non-refundable Final Payment: Due dates for final payment are different for:

- a. **Business Location Established on Page 1 of the Entry Form:**

In this case the balance of the fair market value will be paid (certified funds only):

1. on the first business day to occur 105 days after application is processed, or
2. within (5) business days after the Department of Liquor notifies the applicant that the license is ready for issuance.
3. In either case, without exception, failure to submit payment will result in an automatic forfeiture.

- b. **Business Location Not Established on Page 1 of the Entry Form:**

In this case, the balance of the fair market value will be paid (certified funds only) on Monday, April 4, 2016 (the first business day 180 days after the fifty percent (50%) deposit is due). Without exception, failure to submit payment will result in automatic forfeiture.

2015 Lottery Fees & Due Dates Table

Lottery statute & rule: A.R.S. §4-206.01 and A.A.C. R19-1-204

| Activity | Deadline |
|---|---|
| DLLC post lottery documents on website | Monday, May 4, 2015 |
| Lottery entry period (4-weeks) | Monday, May 11 through Friday, June 5, 2015 |
| Random selection drawing (commence @ 10 a.m.) | Monday, June 22, 2015, 10a.m. |
| DLLC post randomly selected applicants on website | Tuesday, June 23, 2015 |
| Selected applicants submit non-refundable 50% deposit (by 3 p.m., first day of business 105 days after drawing) | Monday, October 5, 2015 |
| Non-refundable final fees and license issue date for entries with a pre-determined business location | First business day which occurs 105 days after application (not the Entry Form) is processed or when ready for issuance |
| Non-refundable final balance due for entries without a pre-determined business location (the balance of the fair market value is due on the first business day which occurs 180 days after the 50% deposit payment was due) | Monday, April 4, 2016 |
| All completed applications (which includes a physical address for your liquor licensed business, fingerprints, questionnaires, manager's agreements, etc.) must be received by the department no later than 36 months after the random selection drawing was conducted | Monday, June 25, 2018 |
| Lottery notes regarding local governing bodies: <ul style="list-style-type: none"> • local governments must post lottery entry applications for 20 days. • local governments have 60-days to submit recommendation regarding lottery applicants to DLLC. • when DLLC receives a local government recommendation, a 15-day waiting period must pass prior to DLLC issuing the license. | |

(* indicates a non-refundable fee)

| County | Series 6 (Bar) | Series 7 (Beer & Wine Bar) | Series 9 (Liquor Store) |
|-------------------|-------------------|-------------------------------|----------------------------|
| Maricopa | 6 available | 6 available | 7 available |
| Fair Market Value | \$ 71,750.00 | \$ 13,700.00 | \$ 226,500.00 |
| 50% Deposit* | \$ 35,875.00 | \$ 6,850.00 | \$113,250.00 |
| Final Payment* | \$ 35,875.00 | \$ 6,850.00 | \$113,250.00 |
| Application Fee* | \$ 100.00 | \$ 100.00 | \$ 100.00 |
| Fingerprint Fee* | \$22 / \$35 | \$22 / \$35 | \$22 / \$35 |
| Issuance Fee** | vary | vary | vary |
| Local Gov Fees | Contact Local Gov | Contact Local Gov | Contact Local Gov |
| Pima | 1 available | 1 available | 2 available |
| Fair Market Value | \$ 27,650.00 | \$10,500.00 | \$71,500.00 |
| 50% Deposit* | \$13,825.00 | \$ 5,250.00 | \$35,750.00 |
| Final Payment* | \$13,825.00 | \$ 5,250.00 | \$35,750.00 |
| Application Fee* | \$ 100.00 | \$ 100.00 | \$ 100.00 |
| Fingerprint Fee* | \$22 / \$35 | \$22 / \$35 | \$22 / \$35 |
| Issuance Fee** | vary | vary | vary |
| Local Gov Fees | Contact Local Gov | Contact Local Gov | Contact Local Gov |
| Yuma | 1 available | 0 available | 0 available |
| Fair Market Value | \$57,900.00 | NA | NA |
| 50% Deposit* | \$28,950.00 | NA | NA |
| Final Payment* | \$28,950.00 | NA | NA |
| Application Fee* | \$ 100.00 | NA | NA |
| Fingerprint Fee* | \$22 / \$35 | NA | NA |
| Issuance Fee** | vary | vary | vary |
| Local Gov Fees | Contact Local Gov | Contact Local Gov | Contact Local Gov |

* non-refundable fees

**fees will vary based on the date the license is issued. Link to fees: http://www.azliquor.gov/forms/lic_licensefeeandtype.pdf.