



February 06, 2013

2011-2013 Vol. 15

GENERAL SESSION

January 30, 2013

Program: Utah and Alcohol – A Changing Dynamic

Presented by: Kari Malkovich – WSLC President-Elect

Speakers: Sen. John Valentine (R) Dist. 14 (Utah County)

Art Brown – President, Utah Chapter of
Mothers Against Drunk Driving (MADD)

Melva Sine – Director, Utah Restaurant Association

Jason Mathis – Exec. Director, Downtown Alliance

Sen. Valentine quipped, straight-faced, that he was happy to appear before this audience to talk about booze. Actually, he is sponsoring a bill (as yet unnumbered) that will make three changes to Utah's Alcoholic Beverage statutes.

The first change would be to provide a Master License for qualifying Utah restaurants. In order to qualify for such a license, a restaurant must have at least five locations in the state that are commonly owned. The Master License would cost \$10,000. It would not be available for bars or other "stand-alone" alcohol-serving establishments.

In addition, each restaurant location could receive a sub-license for an additional fee equal to the current fee for a stand-alone license. The advantage of such a license is that the restaurant owner would no longer be subjected to the statewide restaurant license quota currently in effect. Such restaurants would be able to establish new

locations, all under the license "umbrella" of the Master License. With this change, the multiple licenses now owned by qualifying restaurant chains could be returned to the pool of available licenses now restricted by the quota.

The second provision of the bill would delay for an additional year a provision in the law (not yet effective) that would allow an existing license holder to sell a license to an establishment unable to obtain one due to the quota restriction. Currently, there is concern for the community impact when this provision of the law becomes effective. Further negotiations are required to satisfy all concerns over the issue.

The third provision would prohibit dual licenses. Sen. Valentine contends that often bar or social club owners have used dual licensing to abuse the system.

Imagine having two licenses in an establishment – one for liquor and one for

food. At one end of the business is a licensed tavern. At the other, a licensed full service restaurant. Under current law, a patron who orders a drink from the tavern cannot carry that drink to the other side of the room, and vice versa.

At present, both sides of this hypothetical establishment must somehow be partitioned or separated by a control area to prevent adult beverages from passing from one area to another.

That is the kind of legislative silliness, said the senator, that gives Utah a bad image. Provisions in the Master License would address this issue.

Sen. Valentine described alcohol as “a necessary evil,” it being a legally available product. The social costs such as drunk driving, violence and crime must be taken into account.

Utah has a strong tradition of being welcoming and hospitable to those coming from outside the state. Extending hospitality, respecting diverse lifestyle choices, and providing for public safety must be factored together when formulating public policy regarding alcohol.

Art Brown spoke of losing a grandson to a drunk driver. It was this family tragedy that eventually led to his association with MADD. As president of the Utah Chapter, he is committed to educating the state on the social impact of alcohol, particularly with regard to driving.

He distributed a handout (now posted on the WSLC website) entitled “Economic Costs of Drunk Driving & Underage Drinking in Utah = \$.6B per Year.”

Mr. Brown favors limiting “outlet density” for the sale of alcohol. Alcohol density becomes a key issue in the quality of life of a community. No amount of enforcement, Mr.

Brown stated, will be able to compensate for increased alcohol outlet density.

He said there is no type of alcohol outlet that doesn’t have DUI violations and underage sales associated with it. Bars and social clubs, he stated, account mostly for DUI offenders. Restaurants account for more underage sales.

Quality of life and public safety should be the focus of the state’s alcohol policy. A Utah statute affirms proper alcohol policy must “reasonably satisfy the demand and protect the public interest.” Mr. Brown believes legislators must remember both when considering bills. He worries that the interests of economic development too often prevail. He urges a balanced policy between catering to demand and protecting the public.

Mr. Brown addressed the public safety issue of DUI. It is a growing problem. Deaths from DUI’s have increased over the last three years. Utah law enforcement arrests only about 1% of the total drunk drivers on our roads annually.

There is an alcohol-related highway accident in Utah every five hours. The average alcohol level of DUI offenders is .14%. That is nearly twice the legal limit. Almost one in three Americans will be affected by drunk driving.

Continuing to cite statistics, Mr. Brown said underage drinking is a high-risk activity. Attending social problems include brain impairment, injuries, crime, violence, and teen pregnancy. There are 47,000 underage drinkers in Utah. Associated costs to Utah are estimated at \$400M a year with no corresponding social benefit.

In a 2009 survey, 20% of underage drinkers said they drank at a restaurant bar or nightclub. Mr. Brown supports compliance checks to see which outlets are violating liquor laws.

Mr. Brown disagrees with the premise that as Utah's population grows, the availability of alcohol should grow correspondingly because the Mormon percentage of the population decreases. He cited a recent Salt Lake Tribune article that indicated the Mormon demographic remained about the same proportionally to the population increase.

Melva Sine assured the audience that the Utah Restaurant Association (URA) does not promote alcohol consumption; rather, its mission is to be an active voice in supporting and directing the restaurant industry in Utah.

Many restaurants *could* offer liquor menus and *could* display product to patrons, but choose not to do so in deference to the cultural traditions of the state. Restaurant owners want to improve compliance with state regulations while growing their businesses. Utah's restaurant industry employs 1000,000 people.

Adult beverages sold in restaurants account for only a small fraction (about 2%) of the alcohol consumed in the state. Restaurants pay the same price as consumers do when they buy alcohol from state stores, so they don't make much profit by offering it in-house. Approximately 90% of the alcohol sold in Utah is sold in state liquor stores.

Ms. Sine also stated that studies find 80% of teens obtain alcohol at parties and 67% get it from home, often from a relative. The URA is eager to do its part to curb underage drinking. To this end, it is working on a program called "Minors Matter."

In order to purchase alcohol in a Utah restaurant, food must also be ordered and consumed. Occasionally, mistakes are made regarding this. Many servers are unskilled and there is a 72% turnover throughout the industry.

There are 400 restaurants within the state that offer alcohol. It is Ms. Sine's belief that most of their patrons drink responsibly. Also, she stated that restaurants are a better place to drink alcohol than bars or social clubs, as alcohol's effects are diminished when it is consumed with food.

Responding to questions, Ms. Sine said the restaurant industry would not actively seek to revive the failed "Wine Tasting" bill of last year's session, as it would be overly contentious. They will follow with interest Sen. Valentine's "Master License" bill this session.

Jason Mathis said his perspective on alcohol consumption in the state relates to its effect on economic development. Whenever alcohol is purchased there is an immediate economic impact. A secondary impact usually follows within the tourism and hospitality industries.

Rather than looking to more statewide regulation, he believes we should focus on sellers who bend and break the rules already in place. Only a small subset of the state's population overtly abuses alcohol, said Mr. Mathis. We should concentrate on them rather than target the whole population with reflexive regulation.

The Downtown Alliance is interested in maintaining a responsible balance between free enterprise and government regulation. Mr. Mathis believes Sen. Valentine has shown himself to also favor a balanced approach.

Responding to questions, Mr. Mathis said TRAX has been helpful in the past by offering free transportation for celebrants on New Year's Eve. However, with recent budget cutbacks, that service was rescinded last year. Taxicab contracts preclude hotels from offering shuttle service for patrons who need rides home after celebrating.

Mr. Mathis believes in strict penalties for DUI offenders. He also believes they would do well to pursue more creative and nuanced solutions rather than issuing blanket edits for the state. The infamous “Zion’s Curtain” (a partition separating patrons of a bar from

the bartender, preventing drinks from being passed directly from where they are mixed to the customers) is no longer in effect in the state.

Reported by Stuart Gygi and Pam Grange

NOTE: Following the General Session, it was announced that WSLC board member **Gwen Larsen** has been chosen as one of the recipients of the **Salt Lake Council of Women’s Hall of Fame Award**. The Council confers the Hall of Fame Award on five to seven recipients every five years.



The Council, established in 1912 before women won the vote, takes an active interest in community affairs and promotes “whatever may contribute to the general welfare of communities along the Wasatch Front.” It’s mission as a civic organization is to encourage and enable women to make a difference in the community through volunteering and local involvement. WSLC congratulates Gwen on this honor, presented after many years of dedicated service.

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THE WOMEN’S STATE LEGISLATIVE COUNCIL OF UTAH, INC.**

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1920 – 2013**

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*Printed by AlphaGraphics
117 West 900 South
Salt Lake City, UT 84101*