



Arizona Department of Liquor Licenses and Control  
 800 W Washington 5th Floor  
 Phoenix, AZ 85007-2934  
 www.azliquor.gov  
 (602) 542-5141

|                          |       |
|--------------------------|-------|
| <b>FOR DLLC USE ONLY</b> |       |
| License #:               | _____ |
| Expiration:              | _____ |
| CSR:                     | _____ |
| Log #:                   | _____ |

**UNLICENSED BUSINESS ESTABLISHMENT  
 APPLICATION FOR EXEMPTION**

**This exemption allows customers to bring limited amounts of their own liquor on to the premises to drink.** This application, if approved, is valid for 12 months (1 year) from the date of approval. A new application for exemption must be submitted each year. **A NON-REFUNDABLE \$50 FEE WILL APPLY** with each application. For uninterrupted exempt status, submit a new application prior to expiration.

I, \_\_\_\_\_, doing business as \_\_\_\_\_  
 Owner's Name Name of Business

Located at: \_\_\_\_\_  
 Establishment's Street Address City County Zip Code

**Is this your first Unlicensed Exemption?**  Yes  No **If no, when does your exemption expire?** \_\_\_\_/\_\_\_\_/\_\_\_\_

Hereby request permission from the Department of Liquor to allow my patrons to consume authorized liquor on my unlicensed premises. I have received and read Arizona statute A.R.S. §4-244.05 and regulation A.A.C. R19-1-324. I declare that my business qualifies for exemption under A.A.C. R19-1-324 as a:

- Small Restaurant (50 seats or less, allowing alcohol consumption from between Noon-10:00 p.m. and shall not allow a patron to possess or consume more than forty ounces of beer, 750 ml of wine or four ounces of distilled spirits per visit.
- Association/Business Hosting a Private Function (does not exceed the 300 member/patrons, allowing alcohol consumption between 4:00 p.m.-2:00 a.m. and shall not allow a patron to possess or consume more than forty ounces of beer, 750 ml of wine or four ounces of distilled spirits per visit.
- I hereby agree to comply with Arizona statute A.R.S. §4-244.05 and regulation A.A.C. R19-1-324 while conducting business at this location.
- I understand that any violations of these rules may result in a fine and civil penalty authorized in A.R.S. §4-244.05(A) and (C).

I, (Print Full Name) \_\_\_\_\_, being first duly sworn upon oath, hereby depose, swear and declare that I am the APPLICANT filing this application. I have read this application and declare under penalty of perjury, that all statements are true, correct and complete.

\_\_\_\_\_  
 Signature of Applicant Applicant's Email Address \_\_\_\_\_  
 \_\_\_\_\_  
 Daytime Phone Number

**NOTARY**

State of \_\_\_\_\_ County of \_\_\_\_\_  
 The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
 Day Month Year  
 My Commission Expires on: \_\_\_\_\_  
 Date Signature of Notary Public \_\_\_\_\_

**FOR DEPARTMENT OF LIQUOR USE ONLY**

Approval  Disapproval Officer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**A.R.S. § 4-244.05. Unlicensed business establishment or premises; unlawful consumption of spirituous liquor; civil penalty; seizure and forfeiture of property**

A. A person owning, operating, leasing, managing or controlling a business establishment or business premises which are not properly licensed pursuant to this title and in which any of the following occur shall not allow the consumption of spirituous liquor in the establishment or on the premises:

1. Food or beverages are sold.
2. Entertainment is provided.
3. A membership fee or a cover charge for admission is charged.
4. A minimum purchase or rental requirement for goods or services is charged.

B. A person shall not consume spirituous liquor in a business establishment or on business premises which are not properly licensed pursuant to this title in which food or beverages are sold, entertainment is provided, a membership fee or a cover charge for admission is charged or a minimum purchase or rental requirement for goods or services is charged.

C. In addition to or in lieu of other fines or civil penalties imposed for a violation of this section or any other action taken by the board or director, the board or director may conduct a hearing subject to the requirements of section 4-210, subsection G to determine whether a person has violated subsection A of this section. If the board or director determines, after a hearing, that a person has violated subsection A of this section the board or director may impose a civil penalty of not less than two hundred nor more than five thousand dollars for each offense. A civil penalty imposed pursuant to this section by the director may be appealed to the board.

D. In addition to any other remedies provided by law, any monies used or obtained in violation of this chapter may be seized by any peace officer if the peace officer has probable cause to believe that the money has been used or is intended to be used in violation of this section.

E. In addition to any other remedies provided by law, the records of an establishment that is in violation of this section may be seized by any peace officer if the peace officer has probable cause to believe that the establishment is operating without a valid license issued pursuant to this title.

F. In addition to any other remedies provided by law, any amount of alcohol may be seized by any peace officer if the peace officer has probable cause to believe that the alcohol is being used or is intended to be used in violation of this section.

G. In addition to any other remedies provided by law, the following property shall be forfeited pursuant to section 13-2314 or title 13, chapter 39:

1. All proceeds and other assets that are derived from a violation of this section.
2. Anything of value that is used or intended to be used to facilitate a violation of this section.

H. A person who obtains property through a violation of this section is deemed to be an involuntary trustee of that property. An involuntary trustee and any other person who obtains the property, except a bona fide purchaser who purchases the property for value without notice of or participation in the unlawful conduct, holds the property, including its proceeds and other assets, in constructive trust for the benefit of the persons entitled to remedies pursuant to section 13-2314 or title 13, chapter 39.

I. The board or director may adopt rules authorizing and prescribing limitations for the possession or consumption of spirituous liquor at establishments or premises falling within the scope of subsections A and B of this section. Rules adopted pursuant to this subsection shall authorize the possession or consumption of spirituous liquor only at establishments or premises which permit the consumption or possession of minimal amounts of spirituous liquor and which meet both of the following criteria:

1. The possession or consumption of spirituous liquor is permitted only as an incidental convenience to the customers of the establishment or premises.

2. The possession or consumption of spirituous liquor is permitted only within the hours of lawful sale as prescribed in this title, and is limited to no more than ten hours per day.

J. Any rules adopted pursuant to subsection I of this section shall prescribe:

1. The maximum permitted occupancy of an establishment or premises.
2. The hours during which spirituous liquor may be possessed or consumed.
3. The amount of spirituous liquor that a person may possess or consume.

4. That the director, the director's agents and any peace officer empowered to enforce the provisions of this title, in enforcing the provisions of this title, may visit and inspect the establishment or premises during the business hours of the premises or establishment. The director may charge a fee for the inspection of unlicensed premises to review an application for exemption pursuant to this section.

K. Any rules adopted pursuant to subsection I of this section may prescribe separate classifications of establishments or premises at which spirituous liquor may be possessed or consumed and may establish any other provisions relating to the possession or consumption of spirituous liquor at establishments or premises falling within the

scope of subsections A and B of this section which are necessary to maintain the health and welfare of the community.

L. This section does not apply to establishments or premises that are not licensed pursuant to this title and on which occurs the consumption of spirituous liquor if the establishment or premises are owned, operated, leased, managed or controlled by the United States, this state or a city or county of this state.

#### **R19-1-324. Standards for Exemption of an Unlicensed Business**

- A. The owner of a small restaurant or business establishment, business premises, or association hosting a private social function may act under A.R.S. § 4-244.05 if the owner of the small restaurant or business establishment, business premises, or association hosting a private social function:
1. Submits a Request for Exemption form, which is available from the Department and on its web site;
  2. Pays the inspection fee specified in R19-1-102(J); and
  3. Ensures that:
    - a. Possession or consumption of spirituous liquor on the business premises is permitted only as an incidental convenience to customers;
    - b. Possession or consumption of spirituous liquor on the business premises is limited as follows:
      - i. Small restaurant: between noon and 10:00 p.m.; and
      - ii. Business establishment, business premises, or association hosting a private social function: between 4:00 p.m. and 2:00 a.m.
    - c. A customer is allowed to possess or consume no more than:
      - i. Forty ounces of beer,
      - ii. Seven hundred fifty milliliters of wine, or
      - iii. Four ounces of distilled spirits;
    - d. The occupancy limitation of the small restaurant or business establishment, business premises, or association hosting a private social function does not exceed the following maximum:
      - i. Small restaurant: 50; and
      - ii. Business establishment, business premises, or association hosting a private social function: 300; and
    - e. The owner, manager, comptroller, controlling person, and any employee of the small restaurant or business establishment, business premises, or association hosting a private social function complies with all applicable provisions of A.R.S. Title 4 and this Chapter.
- B. As provided under A.R.S. § 4-244.05 (J)(4), the Director, agent of the Director, or peace officer empowered to enforce A.R.S. Title 4 and this Chapter may visit and inspect a small restaurant, business establishment, business premises, or association operating under A.R.S. § 4-244.05 and this Section during business hours of the premises.
- C. This Section is authorized by A.R.S. § 4-244.05.

#### **A.R.S. § 4-244. Unlawful acts**

23. For an on-sale retailer or employee to conduct drinking contests, to sell or deliver to a person an unlimited number of spirituous liquor beverages during any set period of time for a fixed price, to deliver more than forty ounces of beer, one liter of wine or four ounces of distilled spirits in any spirituous liquor drink to one person at one time for that person's consumption or to advertise any practice prohibited by this paragraph. The provisions of this paragraph do not prohibit an on-sale retailer or employee from selling and delivering an opened, original container of distilled spirits if:

(a) Service or pouring of the spirituous liquor is provided by an employee of the on-sale retailer.

(b) The employee of the on-sale retailer monitors consumption to ensure compliance with this paragraph. Locking devices may be used, but are not required.

#### **A.R.S. § 41-1030. Invalidity of rules not made according to this chapter; prohibited agency action; prohibited acts by state employees; enforcement; notice**

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. THIS SECTION MAY BE ENFORCED IN A PRIVATE CIVIL ACTION AND RELIEF MAY BE AWARDED AGAINST THE STATE. THE COURT MAY AWARD REASONABLE ATTORNEY FEES, DAMAGES AND ALL FEES ASSOCIATED WITH THE LICENSE APPLICATION TO A PARTY THAT PREVAILS IN AN ACTION AGAINST THE STATE FOR A VIOLATION OF THIS SECTION.

E. A STATE EMPLOYEE MAY NOT INTENTIONALLY OR KNOWINGLY VIOLATE THIS SECTION. A VIOLATION OF THIS SECTION IS CAUSE FOR DISCIPLINARY ACTION OR DISMISSAL PURSUANT TO THE AGENCY'S ADOPTED PERSONNEL POLICY.

F. THIS SECTION DOES NOT ABROGATE THE IMMUNITY PROVIDED BY SECTION 12-820.01 OR 12-820.02.