

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

UNLICENSED BUSINESS ESTABLISHMENT
APPLICATION FOR EXEMPTION

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 be due 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

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. R19-1-113(6). I declare that my business qualifies for exemption under A.A.C. R19-1-113 as a:

- Small Restaurant, R19-1-113 (6)(a)
- Association, R19-1-113 (6)(c)
- Catering Establishment, R19-1-113 (6)(b)
- Business Hosting a Private Function, R19-1-113 (6)(d)
- I hereby agree to comply with Arizona statute A.R.S.§4-244.05 and regulation A.A.C. R19-1-113 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 _____, being first duly sworn upon oath, hereby depose, swear and
(printed name)
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) Print Name: First Last Middle

(_____) _____
Area Code Daytime Phone Number Applicant's permanent email address

NOTARY

State of _____ County of _____
state county

The foregoing instrument was acknowledged before me this _____ day of _____, _____
day month year

My commission expires on _____ signature of NOTARY PUBLIC
day/ month/year

FOR DEPARTMENT USE ONLY

- Disapproved _____ File # UL _____ CSR Initials _____
- Approved Officer Signature Expiration Date ___/___/___ Fee Collected

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. Until January 1, 2015, 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.

R19-1-113. Exemptions to A.R.S. § 4-244.05

Small restaurants, catering establishments, associations, and business establishments hosting private social functions are exempt from A.R.S. § 4-244.05 if the business establishment meets all of the following conditions:

- 1. The possession or consumption of spirituous liquor on the premises is limited to wine and beer and is permitted as an incidental convenience to patrons of the business establishment.
- 2. The business establishment limits possession or consumption of wine or beer on the premises to the hours between noon and 10 p.m.
- 3. The business establishment or premises allows a patron to possess no more than 24 ounces of beer per person, or 6 ounces of wine per person to be consumed on the premises.
- 4. The business establishment notifies the Department on a form prescribed by the Department that it permits patrons to consume or possess beer or wine on the premises.
- 5. The business establishment and/or its proprietor, manager, comptroller, controlling person, or employee shall comply with A.R.S. Title 4, Chapters 1, 2, and 3, and 19 A.A.C. 1.
- 6. The business establishment and/or its proprietor, manager, comptroller, controlling person, or employee shall not permit the number of patrons within the business establishment to exceed the maximum occupancy limitations. The maximum occupancy limitations are:
 - a. Small restaurant: shall not exceed 40 patrons.
 - b. Catering establishment: shall not exceed 300 patrons.
 - c. Associations: shall not exceed 300 patrons.
 - d. Business establishments hosting private social functions: shall not exceed 300 patrons.
- 7. If any clause, sentence, subsection, Section, or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, subsection, Section or part thereof directly involved in the controversy in which such judgment shall have been rendered.