

The Salt Lake Tribune

Utah hospitality group adds to liquor lawsuit against state

Alcohol • Association says state's formula to allot licenses is flawed.



By Dawn House The Salt Lake Tribune

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A group representing bars, dining clubs and fraternal organizations has amended its federal lawsuit against the state, also challenging the Utah liquor license formula that has created a backlog for club permits.

The Utah Hospitality Association seeks unspecified damages and to dissolve legislation, SB314, that led to new liquor statutes. This was the same legislation that liquor-control commissioners unsuccessfully petitioned Gov. Gary Herbert to veto months ago.

The scarcity of club licenses has, in effect, created a moratorium of up to two years before any more licenses become available, said Kenneth Wynn, who retired in 2007 after serving 30 years as director of Utah Department of Alcoholic Beverage Control (DABC). He has been a member of the association since then, concerned about liquor laws that he thinks harm tourism and restrict economic development.

The amended complaint also challenges a part of state law that adds another hurdle to obtaining a liquor license, said Wynn.

Beginning in July 2012, the number of liquor licenses allocated by the state also will depend on the number of public safety officers. Even if licenses become available, because of quotas tied to the state's population, permits cannot be awarded unless the Department of Public Safety hires additional enforcement officers.

"Lawmakers don't seem to require any facts or any studies before they pass liquor legislation," said Wynn. "The state isn't trying to cut down on drunk driving or overconsumption, Utah is becoming a prohibitionist state."

Vickie Ashby, spokeswoman for the liquor department, said 18 applicants are on a waiting list for club licenses, which enable establishments to serve spirits and beer.

Earlier this year, lawmakers went against recommendations by the Legislature's auditors that they ease quotas for club licenses. Lawmakers, citing concerns about overconsumption, also refused to make any accommodations to inflated population estimates, which resulted in too many club licenses being handed out.

The lawsuit, originally filed in July, also claims that the state has restrained trade under the Sherman Act by outlawing drink specials, which the groups contend is an illegal restraint on trade.

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