New Utah Liquor Law Allows Bars to Buy the Rights to Serve Alcohol

ANNIE KNOX, Associated Press

SALT LAKE CITY (AP) — A new state law puts Utah liquor licenses on the free market.

For the first time, would-be bar owners can legally buy the right to pour and serve alcoholic drinks directly from other business owners, instead of the state. Approved in 2011, the law went into effect Tuesday.

Some bar operators are toasting the move, welcoming the state's decision to give up some control when it comes to liquor regulations.

"I think it's a good move for us because we've been in the Dark Ages for such a long time for liquor laws," said Bridget Gordon, owner of the Green Pig Pub & Grill in Salt Lake City.

Others say it could spur bidding wars up to a few hundred thousand dollars, smothering new entrepreneurs.

In Utah, an estimated two-thirds of the population belongs to The Church of Jesus Christ of Latter-day Saints, which teaches members to abstain from alcohol. Church officials this year stressed the state's liquor policy should stay put, saying it keeps residents safe.

Utah liquor laws are considered among the strictest nationwide, but have relaxed in recent years: Until 2009, bars operated as members-only social clubs.

Steve Demarest, the owner of a stock brokerage firm who also plans to open a Park City restaurant and bar this year, said he'd rather keep waiting for a free, government-issued license than pay what he estimates would be hundreds of thousands of dollars for a new one.

"It just makes more sense for me to wait it out," he said. "I'm a small business owner, and I don't have that kind of money to spend on a liquor license."

Demarest says he's already been on the wait list for six months and expects to wait another year at most. The state limits the number of licenses available based on population quotas, so it could take a new census to break the logjam of about a dozen businesses currently in line.

Under the new law, the state will still help to handle the transfer. Buyers must qualify under current guidelines and pay $300 in state fees, and sellers must pay off any debts the business took on. There's another catch: The new bar must stay in

the same county.

It could elevate nightlife in some parts of the state, estimates Dave Morris, president of the Utah Hospitality Association and owner of Piper Down Pub.

"These little dive bars not making money, maybe they'll be motivated to sell their license and get rid of their business," he said. "You could just keep your crappy bar alive till you find somebody with deep pockets."

The change likely spells a bigger return for Bridget Gordon, owner of the Green Pig Pub & Grill in Salt Lake City, should she decide to close her downtown bar known for its rooftop view. But she contends it has a downside, affecting her tentative plan to open a brewpub.

"It makes my Pig more valuable," she said of the law. "At the same time, if I want to open up a new business, I'm going to have to pay the premium price for a license."

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