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What Happens When Liquor Licensees Operate Outside their Boundaries?

By Pamela Erickson

Liquor Licenses are designed to reduce problem behavior by patrons. One of those problems is patrons leaving a bar intoxicated or drinking products immediately outside a store and becoming intoxicated. Both these situations can result in disturbances to the community making public spaces off limits to children and families. Nearby parks may be littered and vegetation damaged. Community businesses may lose customers.

One strategy that should not be overlooked in dealing with these conditions is the requirements of businesses licensed to sell alcohol. Some may be operating outside their licensed privileges.

Recently, the City of Las Vegas had that problem. Some years ago that city invested over \$21 million to create a public entertainment space in the downtown area. They worked with five casinos to create the space that allowed outdoor bars and several stages for free live entertainment. It worked well at first and in 2009 was voted the best family entertainment venue. But, then the city gave liquor licenses to several souvenir shops. These shops started aggressively advertising and selling cheap single cans of alcohol. Large ads were placed in front so they were highly visible from the street. Clerks encouraged immediate consumption by offering to open the can or bottle before the patron left the store.

This practice changed the behavior and clientele. Intoxication and crime

increased. Panhandlers and street performers arrived...some with few clothes on. Families were driven away, tourists wrote nasty reviews, and business declined. Eventually the City adopted new ordinances prohibiting some of the practices and requiring that any alcohol consumption had to be in plastic cups provided by on-premise licensees.

But a clear understanding of how each license type is required to operate could help other cities avoid some of these problems.

While states will sometimes have 30-40 different licenses, they are basically of two different types: on-premise where customers buy and drink at the licensed location and off-premise where customers buy alcohol and take it somewhere else to consume. Each is specifically designed to control problems with alcohol.



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On premise: This license is intended to allow customers to drink within a specifically designated area where servers can monitor the process of drinking. In this way they can prevent sales to minors and stop sales when someone is intoxicated. The license will usually specify the areas where people can drink--usually referred to as the "premises". Sometimes the premises include a deck, sidewalk or garden area. Sometimes the parking lot will even be designated as part of the premises, particularly if there have been past problems. These spaces must regularly monitor and controlled by the licensee. The key is the watchfulness of the server and bartender. Regulators should be alert to situations where adequate monitoring is not possible. Low lighting is one. Large crowds with few servers is another. Sometimes special provisions are needed for unusual venues such an entertainment area. In the case of Las Vegas' entertainment area, each on-premise licensee paid a substantial monthly fee for security to monitor patron drinking and behavior. The fee also paid for cleanup and garbage collection.

Off-premise: This license is designed for customers who purchase alcohol and then take it somewhere else for consumption. This usually means taking it home or to a party at someone else's residence. When customers buy alcohol—often in single serving sizes—and drink it immediately outside the store or in the immediate vicinity, the license is not being used as intended. The store does not have any capacity to monitor immediate consumption outside the premises nor do they have the training to do so. Again, in the case of Las Vegas, these off-premise licensees were not required to pay for security or for littering done by their patrons.

This problem is similar to experiences in large cities where chronic inebriates buy alcohol from stores for immediate consumption. Areas with large homeless populations can be quite costly

for the public since local governments must pay for law enforcement and emergency services relating to this population. These costs can be very large. In a study of 529 individual homeless alcoholics, the city of San Diego determined that health care charges alone totaled \$17.7 million and only 18% of that was reimbursed!

Areas with large concentrations of public inebriates require a comprehensive approach that should include a variety of strategies. An excellent resource is the guidebook, "Chronic Public Inebriation" by Matthew Pate, published by the Center for Problem-Oriented Policing. Go to www.popcenter.org for more information about this and other guides. Some good examples of cities that have successfully dealt with chronic inebriate problems are San Diego and Green Bay, Wisconsin.

All of these cases demonstrate the need for active regulation. When problems occur, it is critical to act quickly. Attention by law enforcement and then warnings and other sanctions may be necessary.

Information about San Diego's comprehensive program to address the serial inebriate issue can be found at mhsinc.org/serial-inebriate-program-sip-0

For a description of Green Bay's approach to these issues, see "Excellence in Problem -Oriented Policing: The 1999 Herman Goldstein Award winners," US Department of Justice, popcenter.org/library/awards/goldstein/1999/1999.pdf

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