



**June 12, 2018**  
**7:30 am-Council Chambers**

**City Council Work Session**

Topic for Discussion:

1. Discussion of the proposed changes to Chapter 6 (Alcohol Ordinance) for the Code of Ordinances of the City of Statesboro

**\*\*\*\*\*THERE WILL BE NO ACTION TAKEN\*\*\*\*\***

# CITY OF STATESBORO

## COUNCIL

Phillip A. Boyum  
Sam Lee Jones  
Jeff B. Yawn  
John C. Riggs



Jonathan McCollar, Mayor  
Randy Wetmore, City Manager  
Robert Cheshire, Deputy City Manager  
Sue Starling, City Clerk  
I. Cain Smith, City Attorney

50 EAST MAIN STREET • P.O. BOX 348  
STATESBORO, GEORGIA 30459-0348

**To:** Randy Wetmore, City Manager and Sue Starling, City Clerk

**From:** Cain Smith, City Attorney

**Date:** May 25, 2018

**RE:** June 5, 2018 City Council Agenda Items

**Policy Issue:** *Statesboro Code of Ordinances: Chapter 6 (Alcoholic Beverages)*  
Amendment to Section 6-5 adding insurance requirements for alcoholic  
beverage licensees.

**Recommendation:** Alcohol Advisory Board approved 5-0 on March 12, 2018

**Background:** Second Reading Ordinance 2018-02. General discussions were had regarding liability relating to sale of alcoholic beverages and the need to ensure licensees have adequate insurance to cover potential on-premises incidents, Research showed liquor liability insurance is required in many states, despite such requirement measure failing to pass the Georgia legislature, and the presence of insurance requirements for licensees in the City of Savannah.

**Budget Impact:** None

**Council Person and District:** N/A

**Attachments:** New subsections of 6-5 and 6-19

## **Ordinance 2018-02**

### **Sec 6-5 Application procedure; contents of application; contents to be furnished under oath**

*(d) Additional Data*

*(4) Proof of Insurance*

*(a) Proof of dram shop insurance.* Applicants seeking a Class D, E, or F alcoholic beverage license shall file with their application a certificate of liquor liability insurance (dram shop), in effect for the license period and issued by an insurer required to be licensed pursuant to state law, providing an annual aggregate policy limit for dram shop insurance of not less than \$1,000,000.00 per policy year. A 30-day notice of cancellation in favor of the City of Statesboro must be endorsed to the policy and attached to the certificate. **Ensure there is no exception (or at least some acceptable sublimit for A&B claims under the policy**

*(b) Proof of general liability insurance.* Applicants seeking a Class B, C, D, E, or F alcoholic beverage license shall file with their application a certificate of liability insurance, in effect for the license period and issued by an insurer required to be licensed pursuant to state law, providing at least \$1,000,000.00 in commercial general liability insurance coverage. A 30-day notice of cancellation in favor of the City of Statesboro must be endorsed to the policy and attached to the certificate.

### **Sec 6-19 Compliance, violations, penalties.**

*(e) Suspension for failure to maintain insurance.* Upon notice of insurance cancellation received pursuant to Sec 6-9(d)(4), the City Clerk shall suspend any license(s) acquired under said policy. License shall be reinstated upon receipt of proof that required insurance has been renewed in compliance with aforementioned sub section. **Possibly revoke upon two notices of cancellation within a calendar year????**

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**To:** Randy Wetmore, City Manager and Sue Starling, City Clerk

**From:** Cain Smith, City Attorney

**Date:** May 25, 2018

**RE:** June 5, 2018 City Council Agenda Items

**Policy Issue:** *Statesboro Code of Ordinances: Chapter 6 (Alcoholic Beverages)* Amendment modifying policy relating to admission of patrons under 21 years to establishments licensed to sell alcoholic beverages.

**Recommendation:** Option A is a complete rewrite of 6-9 to comply with the minimum state requirements of Michael's Law. Alcohol Advisory Board approved 5-0 on February 12, 2018. Option B is amendment of existing 6-9 and addition of "music hall" definition allowing for entry of persons over 18 to ticketed live music performances. Alcohol Advisory Board approved 4-2 on May 7, 2018.

**Background:** Second Reading- Ordinance 2018-03

**Budget Impact:** None

**Council Person and District:** N/A

**Attachments:** Options A and B

## OPTION B

### Definitions:

*Music Hall:* Premises holding D, E, and/or F licenses hosting live musical performances where a ticket is required for admission and set up so that the alcohol service and consumption area(s) is/are partitioned from the general (18+) section by a physical barrier sufficient to prevent alcoholic beverages from being passed from the service/consumption area to the general section. The layout and partitioning of Music Halls shall be evaluated for adequacy and compliance by the chief of police or his/her designee.

Sec. 6-9. - Minors and persons under 21 years of age.

(a) In addition to the prohibitions set forth at O.C.G.A. §§ 3-3-23, 3-3-23.1, 3-3-24, and 3-3-24.1 as amended, which are hereby incorporated by reference herein, a licensee shall not allow a patron under the age of 18 years old to enter or remain upon the premises of an establishment licensed to sell alcoholic beverages for consumption on the premises beyond 11:00 p.m. unless accompanied by a parent or legal guardian, and either the licensed establishment is a restaurant where at least 50 percent of the establishment's annual gross revenue is derived from the service of prepared meals and such establishment offers its full, unlimited menu until and after 11:00 p.m., or the licensed establishment derives no more than 10 percent of its annual gross revenue from the sale of alcoholic beverages.

(b) In addition to the prohibitions set forth at O.C.G.A. §§ 3-3-23, 3-3-23.1, 3-3-24, and 3-3-24.1 as amended, which are hereby incorporated by reference herein, a licensee shall not allow a patron under the age of 21 years old to enter or remain upon the premises or part of a premises of an establishment licensed to sell alcoholic beverages for consumption on the premises where by name, common usage, knowledge and/or understanding the establishment or part of the establishment constitutes or operates as a bar, night club, lounge or similar business. Indicia of such use include, but are not limited to, some or all of the following: (1) A limited menu or no food service, particularly after 12:00 a.m.; (2) More than 50 percent of the premises is standing room only; (3) The establishment derives more than 40 percent of its annual gross revenue from the sale of alcoholic beverages; (4) Where a cover charge is imposed and collected by the licensee as a condition of gaining entry to the establishment and such a fee does not entitle the patron to a seat, whether by general admission or a particular designation; (5) The establishment utilizes the services of security forces and/or door personnel; (6) The establishment is open after midnight; (7) The establishment provides a full service bar which is the primary location from which patrons directly obtain alcoholic beverages.

~~(c) The entry and remaining on premises prohibitions contained in Section 6-9(b) shall apply to patrons of the licensed establishment, and not to employees of the establishment who are over the age of 18 years old, and employed by the licensed establishment to dispense, serve, sell or take orders of alcoholic beverages as allowed by O.C.G.A. § 3-3-24(a).~~

(c) Persons eighteen years old or older shall be permitted in the general area of Music Halls. Said minors are expressly prohibited from entering or being allowed into the Music Hall's alcohol service/ consumption area(s). Possession, consumption, and service of alcoholic beverages shall be forbidden outside of the alcohol service/ consumption areas of said venues.

(d) The chief of police, or his designee, shall upon review of the license application, the renewal application, and/or review of the operation of the licensed establishment determine whether the licensed establishment is governed by subsection (a) or (b) of section 6-9. The chief of police, or his designee, shall have the authority to proscribe that a licensed establishment be governed by subsection 6-9(a) on certain days and at certain times, and by section 6-9(b) on certain days and at certain times. The chief of police, or his designee, shall have the authority to proscribe that certain rooms or sections of the licensed establishment shall be governed by subsection 6-9(a) on certain days and at certain times, and by subsection 6-9(b) on certain days and at certain times. The chief of police shall furnish the licensee in writing the reasons for the designation, and inform the licensee of the right of appeal provided for below.

(e) The licensee shall have five days from receipt of the written finding of the police chief to file a notice of appeal with the city clerk. Failure to file a timely notice of appeal shall render the decision of the chief of police final. Upon filing of a notice of appeal the city clerk shall schedule a hearing before the city manager no later than ten days from the filing of the notice of appeal. The city manager may reverse the police chief's decision only upon showing by clear and convincing evidence that the police chief's decision was clearly erroneous. The city manager shall furnish the licensee and the police chief in writing the reason for the decision. The licensee and the police chief shall have five days from the receipt of the written decision of the city manager to file a notice of appeal with the city clerk. Failure to file a timely notice of appeal shall render the decision of the city manager final. Upon filing of a timely notice of appeal the city clerk shall schedule a hearing before the Mayor and City Council of Statesboro as soon as reasonably possible, but not later than 30 days from the date of the filing of the notice of appeal. The mayor and city council may reverse the city manager's decision only upon showing by clear and convincing evidence that the decision of the city manager was clearly erroneous. The decision of the mayor and city council shall be the final decision of the city. Appeal of the mayor and city council's final decision shall be by petition for certiorari to the Superior Court of Bulloch County.

(f) Posting of notice regarding age restrictions: All establishments licensed to sell alcoholic beverages for consumption on the premises shall, when governed by subsection (b) of section 6-9, conspicuously post outside of every public entry point to the establishment, or, if applicable, every public entry point into the room or section to the establishment governed by subsection (b) of section 6-9, a notice which states that no patron under the age of 21 years of age may either enter or remain upon the premises governed by subsection (b) of section 6-9, or, if applicable, enter or remain in the room or section of a premises governed by subsection (b) of section 6-9. (g) It shall be unlawful for any patron under the age of 21 years of age to either enter or remain upon the premises governed by subsection (b) of section 6-9, or enter or remain in a room or section of a premises governed by subsection (b) of section 6-9.

(Ord. No. 2016-03, § 1, 3-15-16)

## **OPTION A**

### **Sec. 6-9.-Minors and Persons under 21 years of age**

#### Section 6-9 Age Requirements for Entry or Employment at a Bar or as Bouncer

(a) For purposes of this Section:

(i) "Bar" means any premises at which a retailer licensed to sell alcoholic beverages pursuant to this Chapter derives 75% or more total annual gross revenue from the sale of alcoholic beverages for on-premises consumption.

(ii) "Bouncer" means an individual primarily performing duties related to verifying age for admittance, security, maintaining order or safety, or any combination thereof.

(b) All individuals must be at least 21 years of age to enter or remain in a Bar unless he or she is accompanied by a parent, legal guardian, or spouse who is 21 years of age or older. This restriction shall not apply if a minor over 18 years of age enters the Bar in order to attend a bona fide live musical concert or live performing arts presentation for which the minor has paid an admission charge and is visibly and conspicuously marked as a minor for purposes of alcohol consumption and service.

(c) All employees of the Bar, whether part or full time and regardless of employment capacity, must also be at least 21 years of age.

(d) The restriction in Section 6-9(c) shall not apply to 3<sup>rd</sup> party outside vendors or other non-staff employees who are on premises for a limited duration, are being compensated to perform a specific task, are not regularly on the premises, and are not on premises for purposes of patronizing the Bar.

(e) No person shall allow or require an individual under the age of 21 to serve as a Bouncer on any premises where alcoholic beverages are dispensed, served or sold pursuant to an alcoholic beverage license.

# CITY OF STATESBORO

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Phillip A. Boyum  
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Jeff B. Yawn  
John C. Riggs  
Travis L. Chance



Jan J. Moore, Mayor  
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**To:** Randy Wetmore, City Manager and Sue Starling, City Clerk

**From:** Cain Smith, City Attorney

**Date:** May 25, 2018

**RE:** June 5, 2018 City Council Agenda Items

**Policy Issue:** *Statesboro Code of Ordinances: Chapter 6 (Alcoholic Beverages)* Amendment adding Low Volume Licensees to Section 6-3 Definitions and consideration by Mayor and Council of whether a discount for license fees should be available for such licensees and in what amount.

**Recommendation:** Alcohol Advisory Board approved 5-0 on February 12, 2018. Staff review of proposed ordinance changes indicates that the City would incur application costs equal to those of regular licenses with higher compliance costs due to enforcement and review of delivery and sales records.

**Background:** Second Reading Ordinance 2018-04. Request by community to examine the possibility of offering a low volume alcohol license classification for premises that do not sell often enough or in volumes necessary to justify or offset the cost of a City alcoholic beverage license

**Budget Impact:** Unknown

**Council Person and District:** N/A

**Attachments:** Low Volume Licensee definition



### Section 6-3 Definitions

Low Volume Licensee: A Licensee that holds Class B, C, D, E, and/or F license(s) under this chapter that receives or will receive wholesale deliveries of alcoholic beverages in an average amount of not more than \$1,000 per month over the course of a year.

**CALCULATION OF BASIC LICENSE FEE:                      **FOR**                      **CALENDAR**                      **YEAR****

<b><u>CLASSIFICATION</u></b>	<b>(Mark All That Apply)</b>	<b><u>LICENSE FEE</u></b>
Class B, Retail Beer Package	_____	875.00
Class C, Retail Wine Package	_____	875.00
Class D, Retail Liquor by the Drink	_____	1,425.00
Class E, Retail Beer by the Drink	_____	1,425.00
Class F, Retail Wine by the Drink	_____	1,425.00
Class G, Wholesale Liquor	_____	1,500.00
Class H, Wholesale Beer	_____	1,500.00
Class I, Wholesale Wine	_____	1,500.00
Class J, Licensed Alcoholic Beverage Caterer	_____	200.00
Class K, Brewer, Manufacturer of Malt Beverages Only	_____	1,750.00
Class L, Broker	_____	1,750.00
Class M, Importer	_____	1,750.00
Class O, Manufacture on Wine Only	_____	1,750.00
Sunday Sales Permit	_____	300.00
In Room Service Permit	_____	150.00

Georgia Law (O.C.G.A. Section 3-3-7) states: "The sale of alcoholic beverages is lawful for consumption on the premises on Sundays from 12:30 p.m. until 12:00 midnight in any licensed establishment which derives at least 50 percent of its total annual gross sales from the sale of prepared meals or food in all of the combined retail outlets of the individual establishment where food is served and in any licensed establishment which derives at least 50 percent of its total annual gross income from the rental of rooms for overnight lodging."

Sunday sales permit holders are subject to audit for compliance with State Law. Each establishment is required to maintain Financial Records on food sales and alcohol sales by separate business location to demonstrate compliance with State and Local Law.

TOTAL ANNUAL LICENSE FEE:                      \$ \_\_\_\_\_

PARTIAL YEAR CALCULATION IF APPLICABLE: \$ \_\_\_\_\_

Special Event Permit	50.00
Distance Waiver Application Fee	150.00
Alcohol Beverage Control Security Permit(Permit Shall Be Obtained From The Statesboro Police Department)	50.00

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**From:** Cain Smith, City Attorney

**Date:** May 25, 2018

**RE:** June 5, 2018 City Council Agenda Items

**Policy Issue:** *Statesboro Code of Ordinances: Chapter 6 (Alcoholic Beverages)* Amendment adding Special Events provision to Section 6-8 "Regulations pertaining to certain classes of licenses generally" as Section 6-8 9(d)(3)

**Recommendation:** Alcohol Advisory Board approved 6-0 on April 9, 2018

**Background:** Second Reading-Ordinance 2018-05. Conversations spurred research into how City could host large festivals and allow for alcoholic beverage sales during such. Research showed local inability beyond granting open container exemptions, the presence of state law and Department of Revenue memos addressing state requirements, and numerous ordinances governing such events in other municipalities in the state.

**Budget Impact:** None

**Council Person and District:** N/A

**Attachments:** Proposed Section 6-8(d)(3)

Sec. 6-8 Regulations pertaining to certain classes of licenses only.

(d) (3) Temporary special event license

a. A temporary license may be issued to any licensee holding a valid City issued catered event alcoholic beverage license for a period not to exceed three (3) days for an approved special event. The licensed caterer must make complete application and pay all required application fees to the City Clerk or his/her designee at least 45 days prior to the start date of the proposed event and shall be required to comply with all the general ordinances and regulations for on-premises consumption. The applicant seeking a temporary license must also obtain a state-issued temporary special event permit.

b. The special event must meet the following criterion prior to the issuance of a license to sell alcoholic beverages:

(1) The special event must receive approval from the Chief of SPD or his/her designee regarding crowd control, traffic control, and security measures.

(2) The location at which the special event is to take place must be properly zoned and approved by the code enforcement officer.

(3) The application must be presented to Mayor and Council and approved at a regularly scheduled meeting of the Statesboro City Council.

c. Every employee or volunteer of the special event licensee working the special event in any position dispensing, selling, serving, taking orders for, or mixing alcoholic beverages shall be required to possess valid server certification pursuant to Section 6-10.

d. The code enforcement officer or the Chief of SPD or his/her designee may immediately revoke any temporary license for a special event if it is determined continued alcohol sales may endanger the health, welfare, or safety of the public.

e. As a condition on the issuance of a temporary special event license, the licensee shall indemnify and hold the City harmless from any and all claims, demands, or causes of action which may arise from activities associated with the special event.