

City Council Study Session

Licensure and Zoning of Restaurants and Bars
Tuesday April 19, 2022



The 35 % Threshold

- Changed from 50% to 35% with State Laws
- Implemented both in state statute and Norman Code
- Eliminated separate regulation of low-point beer
- Effective October 1, 2018



The Significance in Norman Code

Zoning Ordinance 22:450(7) & (115)

BAR. An establishment whose **primary activity**, measured by dollar volume of sales, **involves the sale and the on-premise consumption of intoxicating or non-intoxicating beer, mixed beverages, wine, or other liquor**, and where food service, if any, is a secondary activity.

RESTAURANT. A facility which derives **more than 35% of its total revenue from the sale of food**, excluding alcoholic beverages, as well as other secondary sources of income, such as admissions, cover charges, or amusements.



The Significance in State Licensure

Caterer License Eligibility (37A O.S. § 2-113)

1. A caterer license may be issued to any person for the purpose of sale, delivery or distribution of alcoholic beverages ***incidental to the sale or distribution of food*** on a premises not licensed by the ABLE Commission. For purposes of this section, "incidental to the sale or distribution of food" means food sales constituting at least thirty-five percent (**35%**) of the caterer's total combined annual sales. A caterer license shall not be issued to a person whose main purpose is the sale of alcoholic beverages.
2. A caterer license may only be issued to those persons that prepare, sell and distribute food for consumption either on licensed or unlicensed premises. In order to renew a caterer license, annual food sales must constitute at least thirty-five percent (**35%**) of the caterer's total combined sales based on the most recent calendar year. A caterer shall not be required to prepare, sell and distribute food at every catered event as long as the caterer satisfies the requirement set forth in this section.



State License Comparison

- **Caterer License**
 - Alcohol to be “incidental to” food sales (35%)
 - May provide alcoholic beverage services for temporary public events licensed by ABLE (Game Days)
- **Mixed Beverage License (37A O.S. §§ 2-110, 6-114)**
 - “Bars” get this license
 - Cannot also have caterer’s license
 - If “Mixed Beverage” then cannot sell alcohol at public events
 - Must post “21 and Over” at threshold of licensed premises



Norman Zoning vs. Licensing

- **Licensing**

- Issued by City Clerk's office
- Work with ABLE Commission and applicant
- Charges Occupational Tax set in Ch. 13 based on ABLE/State license category
- 35% threshold “active” when ABLE needs to change licensee classification

- **Zoning**

- 35% threshold determines how we view “Restaurant,” which is a “by right” use
- If threshold is activated, then need for a “Bar/Lounge/Tavern” Special Use application needed



QUESTIONS

