

32B-2-604 Bond related to package agency.

- (1)
 - (a) A package agent who has a consignment liquor inventory owned by the state shall post a consignment surety bond payable to the department in the amount of the consignment inventory.
 - (b) A consignment surety bond shall be conditioned upon a package agent's return of the unsold consignment liquor inventory at the termination of a package agency agreement.
- (2)
 - (a) A package agent that owns the package agency's liquor inventory shall post a cash bond or surety bond:
 - (i) in the penal amount fixed by the department, except that the penal amount shall be at least \$1,000; and
 - (ii) payable to the department.
- (3) A package agent shall procure and maintain the bond required under this section for as long as the package agent continues to operate as a package agent.
- (4) A bond required under this section shall be:
 - (a) in a form approved by the attorney general; and
 - (b) conditioned upon the package agent's faithful compliance with this title, the rules of the commission, and the package agency agreement.
- (5)
 - (a) If a surety bond posted by a package agency under this section is canceled due to the package agent's or package agency's negligence, the department may assess a \$300 reinstatement fee.
 - (b) No part of a bond posted by a package agent under this section may be withdrawn:
 - (i) during the period the package agency is in effect; or
 - (ii) while a revocation of the package agency is pending against the package agent.
- (6)
 - (a) A bond posted under this section by a package agent may be forfeited if the package agency is revoked.
 - (b) Notwithstanding Subsection (6)(a), the department may make a claim against a bond posted by a package agent for money owed the department under this title without the commission first revoking the package agency.

Amended by Chapter 307, 2011 General Session