

1 **AIRPORT LOUNGE LIQUOR LICENSE**

2 1999 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Mary Carlson**

5 Afton B. Bradshaw

6 AN ACT RELATING TO ALCOHOLIC BEVERAGES; AMENDING PROVISIONS
7 REGARDING LICENSING OF AIRPORT LOUNGES; AND MAKING TECHNICAL
8 CORRECTIONS.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11 **32A-4-201**, as last amended by Chapter 19, Laws of Utah 1993

12 **32A-4-202**, as last amended by Chapter 132, Laws of Utah 1991

13 **32A-4-203**, as enacted by Chapter 23, Laws of Utah 1990

14 *Be it enacted by the Legislature of the state of Utah:*

15 Section 1. Section **32A-4-201** is amended to read:

16 **32A-4-201. Commission's power to grant licenses -- Limitations.**

17 (1) For purposes of this section:

18 (a) "public space" means the space within the international airport's terminals and
19 concourses that is used to provide public services;

20 (b) "public space" includes:

21 (i) a circulation area;

22 (ii) a hold room;

23 (iii) a baggage claim area; and

24 (iv) a retail establishment; and

25 (c) "public space" does not include:

26 (i) administrative office space; or

27 (ii) bag makeup space.

28 ~~[(1)]~~ (2) Before any airport lounge may sell or allow the consumption of liquor on its
29 premises, it shall first obtain a license from the commission as provided in this part.

30 ~~[(2)]~~ (3) The commission may issue airport lounge liquor licenses for the purpose of
31 establishing airport liquor outlets ~~[at international airports]~~ for the storage, sale, and consumption
32 of liquor on premises operated as public airport lounges at an international airport with a United
33 States customs office on the airport premises.

34 ~~[(3)]~~ (4) (a) The total number of airport lounge liquor licenses may not exceed one airport
35 lounge per ~~[terminal plus one lounge per concourse located beyond the security point]~~ 75,000
36 square feet of public space at that international airport.

37 (b) A person seeking an airport lounge liquor license under this part shall obtain a letter
38 from the operator of the international airport where the airport lounge will be located that certifies
39 the square feet of public space that exists at the international airport at the time the application is
40 filed with the department under Section 32A-4-202.

41 Section 2. Section **32A-4-202** is amended to read:

42 **32A-4-202. Application and renewal requirements.**

43 (1) A person seeking an airport lounge liquor license under this part shall file a written
44 application with the department, in a form prescribed by the department, accompanied by:

- 45 (a) a nonrefundable \$1,000 application fee;
- 46 (b) an initial license fee of \$1,000, which is refundable if a license is not granted;
- 47 (c) written consent of the local and airport authority;
- 48 (d) a copy of the applicant's current business license;
- 49 (e) a bond as specified by Section 32A-4-205;
- 50 (f) a floor plan of the airport lounge, including consumption areas and the area where the
51 applicant proposes to keep, store, and sell liquor;
- 52 (g) a copy of the sign proposed to be used by the licensee on its premises to inform the
53 public that alcoholic beverages are sold and consumed there;
- 54 (h) evidence that the airport lounge is carrying public liability insurance in an amount and
55 form satisfactory to the department;
- 56 (i) evidence that the airport lounge is carrying dramshop insurance coverage of at least
57 \$100,000 per occurrence and \$300,000 in the aggregate;
- 58 (j) a signed consent form stating that the airport lounge will permit any authorized

59 representative of the commission, department, council, or any law enforcement officer unrestricted
60 right to enter the airport lounge;

61 (k) in the case of a corporate applicant, proper verification evidencing that the person or
62 persons signing the airport lounge application are authorized to so act on the corporation's behalf;
63 [and]

64 (l) a copy of the letter obtained from the operator of the international airport under Section
65 32A-4-201; and

66 [(f)] (m) any other information the commission or department may require.

67 (2) All airport lounge liquor licenses expire on October 31 of each year. Persons desiring
68 to renew their airport lounge liquor license shall submit a renewal fee of \$1,000 and a completed
69 renewal application to the department no later than September 30. Failure to meet the renewal
70 requirements shall result in an automatic forfeiture of the license, effective on the date the existing
71 license expires. Renewal applications shall be in a form as prescribed by the department.

72 (3) If any airport liquor licensee does not immediately notify the department of any change
73 in ownership of the licensee, or in the case of a Utah corporate owner of any change in the
74 corporate officers or directors, the commission may suspend or revoke that license.

75 Section 3. Section **32A-4-203** is amended to read:

76 **32A-4-203. Qualifications.**

77 (1) (a) The commission may not grant an airport lounge liquor license to an airport lounge
78 whose proprietor has been convicted of:

79 (i) a felony under any federal or state law;

80 (ii) any violation of any federal or state law or local ordinance concerning the sale,
81 manufacture, distribution, warehousing, adulteration, or transportation of alcoholic beverages; or

82 (iii) any crime involving moral turpitude.

83 (b) In the case of a partnership or corporation, the proscription under Subsection (1)(a)
84 applies if any partner, managing agent, officer, director, or stockholder who holds at least 20% of
85 the total issued and outstanding stock of an applicant corporation has been convicted of any
86 offense as provided in this subsection.

87 (2) (a) If any employee or proprietor of an airport lounge liquor licensee is convicted of
88 any offense designated in Subsection (1), the commission may take emergency action by
89 immediately revoking the license according to the procedures and requirements of Title 63,

90 Chapter 46b, Administrative Procedures Act.

91 (b) In the case of a partnership or corporation that has been granted an airport lounge
92 liquor license, if any partner, managing agent, officer, director, or stockholder who holds at least
93 20% of the total issued and outstanding stock of a corporation is convicted of any offense
94 designated in Subsection (1), the commission may take emergency action by immediately revoking
95 the license according to the procedures and requirements of Title 63, Chapter 46b, Administrative
96 Procedures Act.

97 (3) Upon the arrest of any airport lounge liquor licensee on any charge set forth in
98 Subsection (1), the director may take emergency action by immediately suspending the operation
99 of the licensee according to the procedures and requirements of Title 63, Chapter 46b,
100 Administrative Procedures Act, for the period during which the criminal matter is being
101 adjudicated.

102 (4) (a) (i) The commission may not grant an airport lounge liquor license to any person
103 who has had any type of license, agency, or permit issued under this title revoked within the last
104 three years.

105 (ii) The commission may not grant an airport lounge liquor license to any corporation or
106 partnership applicant if any partner, managing agent, officer, director, or stockholder who holds
107 at least 20% of the total issued and outstanding stock of the applicant is or was a partner or
108 managing agent of any partnership, or is or was a managing agent, officer, director, or a
109 stockholder who holds or held at least 20% of the total issued and outstanding stock of any
110 corporation that had a liquor license, agency, or permit revoked within the last three years.

111 (b) A corporation or partnership applicant may not be granted an airport lounge liquor
112 license if any partner or managing agent of the partnership or any managing agent, officer, director,
113 or stockholder who holds at least 20% of the total issued and outstanding stock of the corporate
114 applicant had a liquor license, agency, or permit revoked while acting in their individual capacity
115 within the last three years.

116 (c) A person acting in an individual capacity may not be granted an airport lounge liquor
117 license if that person was a partner or managing agent of a partnership, or a managing agent,
118 officer, director, or stockholder who held at least 20% of the total issued and outstanding stock of
119 a corporation that had a liquor license, agency, or permit revoked within the last three years.

120 (5) A minor may not be granted an airport lounge liquor license.

121 (6) The commission may not grant an airport lounge liquor license if the airport lounge
122 is located where the general public can enter the airport lounge without passing through the
123 international airport's security screening.

124 [(6)] (7) If any person to whom a license has been issued under this part no longer
125 possesses the qualifications required by this title for obtaining that license, the commission may
126 suspend or revoke that license.

Legislative Review Note
as of 1-27-99 4:10 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel