

Senator John L. Valentine proposes the following substitute bill:

ALCOHOLIC BEVERAGE CONTROL ACT AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ryan D. Wilcox

Senate Sponsor: John L. Valentine

LONG TITLE

General Description:

This bill modifies the Alcoholic Beverage Control Act to address the regulation of alcoholic products.

Highlighted Provisions:

This bill:

- ▶ modifies definitions;
- ▶ addresses new master licenses under the law enforcement quota;
- ▶ addresses proximity to community locations;
- ▶ modifies how wine is treated in calculating ratio of gross receipts of food to alcoholic product;
- ▶ addresses the powers and duties of the commission;
- ▶ requires money be appropriated by the Legislature or provided by statute for the department to draw from the Liquor Control Fund with limited exceptions;
- ▶ clarifies who makes warrants on the funds;
- ▶ provides for Division of Finance to make year-end closing entries;
- ▶ creates the Alcoholic Beverage Control Act Legal Fund and deposits certain penalties into the fund;
- ▶ amends operational requirements for package agencies;



- 26 ▶ imposes minimum mandatory penalties related to minors;
- 27 ▶ modifies where certain fines are deposited;
- 28 ▶ expands retail licenses eligible for conditional retail licenses and allows for a
- 29 three-month extension of the period of a conditional retail license;
- 30 ▶ addresses multiple retail licenses at the same building;
- 31 ▶ permits local authorities to impose more restrictive hour requirements for retail
- 32 licensees;
- 33 ▶ permits certain alcoholic products to be served in several containers;
- 34 ▶ creates a master full-service restaurant license;
- 35 ▶ creates a master limited-service restaurant license;
- 36 ▶ imposes a fee for applying to the commission for a ~~§~~ → [change] certain changes ← ~~§~~ in
- 36a location;
- 37 ▶ addresses private events at retail licensee premises;
- 38 ▶ addresses commission's authority to issue restaurant licenses;
- 39 ▶ modifies operational requirements for restaurant licensees;
- 40 ▶ extends the effective date for the Transfer of Retail License Act; and
- 41 ▶ makes technical and conforming changes.

42 Money Appropriated in this Bill:

43 This bill appropriates in fiscal year 2014:

- 44 ▶ to Attorney General - Administration as an ongoing appropriation:
 - 45 • from the Alcoholic Beverage Control Act Legal Fund, \$130,000 to pay for costs
- 46 associated with the enforcement of Title 32B, Alcoholic Beverage Control Act.

47 Other Special Clauses:

48 This bill provides effective dates.

49 This bill provides revisor instructions.

50 Utah Code Sections Affected:

51 AMENDS:

52 **32B-1-102**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 2

53 **32B-1-201**, as last amended by Laws of Utah 2011, Chapter 334

54 **32B-1-202**, as enacted by Laws of Utah 2010, Chapter 276

55 **32B-1-207**, as enacted by Laws of Utah 2011, Chapter 334

56 **32B-2-202**, as last amended by Laws of Utah 2012, Chapter 365

57 **32B-2-301**, as last amended by Laws of Utah 2012, Chapter 357
 58 **32B-2-305**, as last amended by Laws of Utah 2012, Fourth Special Session, Chapter 1
 59 **32B-2-605**, as last amended by Laws of Utah 2012, Chapter 365
 60 **32B-3-205**, as enacted by Laws of Utah 2010, Chapter 276
 61 **32B-5-205**, as enacted by Laws of Utah 2010, Chapter 276
 62 **32B-5-301**, as last amended by Laws of Utah 2011, Chapter 334
 63 **32B-5-304**, as last amended by Laws of Utah 2011, Chapters 307 and 334
 64 **32B-5-309 (Superseded 07/01/13)**, as enacted by Laws of Utah 2010, Chapter 276
 65 **32B-6-203**, as last amended by Laws of Utah 2012, Fourth Special Session, Chapter 1
 66 **32B-6-205**, as last amended by Laws of Utah 2011, Chapters 307 and 334
 67 **32B-6-303**, as last amended by Laws of Utah 2012, Fourth Special Session, Chapter 1
 68 **32B-6-305**, as last amended by Laws of Utah 2011, Chapters 307 and 334
 69 **32B-6-903**, as enacted by Laws of Utah 2011, Chapter 334
 70 **32B-6-905**, as enacted by Laws of Utah 2011, Chapter 334
 71 **32B-8a-201 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 334
 72 ~~§→ [—32B-9-204, as last amended by Laws of Utah 2012, Chapter 365] ←§~~
 73 **32B-10-206**, as enacted by Laws of Utah 2010, Chapter 276
 74 **32B-11-208**, as enacted by Laws of Utah 2010, Chapter 276
 75 **32B-12-301**, as enacted by Laws of Utah 2010, Chapter 276

76 ENACTS:

77 **32B-2-307**, Utah Code Annotated 1953
 78 **32B-5-207**, Utah Code Annotated 1953
 79 **32B-5-311**, Utah Code Annotated 1953
 80 **32B-6-206**, Utah Code Annotated 1953
 81 **32B-6-306**, Utah Code Annotated 1953

82 **Uncodified Material Affected:**

83 AMENDS UNCODIFIED MATERIAL:

84 **Uncodified Section 7, Laws of Utah 2012, Fourth Special Session, Chapter 1**

85 This uncodified section affects Sections 32B-5-309 (Effective 07/01/13) and the
 86 sections in Title 32B, Chapter 8a, Transfer of Retail License Act.

87 **Uncodified Section 8, Laws of Utah 2012, Fourth Special Session, Chapter 1**

88 Utah Code Sections Affected by Revisor Instructions:

- 89 32B-5-309 (Superseded 07/01/13), as enacted by Laws of Utah 2010, Chapter 276
- 90 32B-5-309 (Effective 07/01/13), as last amended by Laws of Utah 2011, Chapter 334
- 91 32B-8a-101 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 92 32B-8a-102 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 93 32B-8a-201 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 94 32B-8a-202 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 95 32B-8a-203 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 96 32B-8a-301 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 97 32B-8a-302 (Effective 07/01/13), as last amended by Laws of Utah 2012, Chapter 365
- 98 32B-8a-303 (Effective 07/01/13), as last amended by Laws of Utah 2012, Chapter 365
- 99 32B-8a-401 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 100 32B-8a-402 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 101 32B-8a-403 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 102 32B-8a-404 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 103 32B-8a-501 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334
- 104 32B-8a-502 (Effective 07/01/13), as enacted by Laws of Utah 2011, Chapter 334

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

107 Section 1. Section 32B-1-102 is amended to read:

108 **32B-1-102. Definitions.**

109 As used in this title:

110 (1) "Airport lounge" means a business location:

111 (a) at which an alcoholic product is sold at retail for consumption on the premises; and

112 (b) that is located at an international airport with a United States Customs office on the
113 premises of the international airport.

114 (2) "Airport lounge license" means a license issued in accordance with Chapter 5,
115 Retail License Act, and Chapter 6, Part 5, Airport Lounge License.

116 (3) "Alcoholic beverage" means the following:

117 (a) beer; or

118 (b) liquor.

- 119 (4) (a) "Alcoholic product" means a product that:
120 (i) contains at least .5% of alcohol by volume; and
121 (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other
122 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol
123 in an amount equal to or greater than .5% of alcohol by volume.
- 124 (b) "Alcoholic product" includes an alcoholic beverage.
- 125 (c) "Alcoholic product" does not include any of the following common items that
126 otherwise come within the definition of an alcoholic product:
- 127 (i) except as provided in Subsection (4)(d), an extract;
128 (ii) vinegar;
129 (iii) cider;
130 (iv) essence;
131 (v) tincture;
132 (vi) food preparation; or
133 (vii) an over-the-counter medicine.
- 134 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation
135 when it is used as a flavoring in the manufacturing of an alcoholic product.
- 136 (5) "Alcohol training and education seminar" means a seminar that is:
137 (a) required by Chapter 5, Part 4, Alcohol Training and Education Act; and
138 (b) described in Section 62A-15-401.
- 139 (6) "Banquet" means an event:
140 (a) that is held at one or more designated locations approved by the commission in or
141 on the premises of a:
142 (i) hotel;
143 (ii) resort facility;
144 (iii) sports center; or
145 (iv) convention center;
146 (b) for which there is a contract:
147 (i) between a person operating a facility listed in Subsection (6)(a) and another person;
148 and
149 (ii) under which the person operating a facility listed in Subsection (6)(a) is required to

150 provide an alcoholic product at the event; and

151 (c) at which food and alcoholic products may be sold, offered for sale, or furnished.

152 (7) (a) "Bar" means a surface or structure:

153 (i) at which an alcoholic product is:

154 (A) stored; or

155 (B) dispensed; or

156 (ii) from which an alcoholic product is served.

157 (b) "Bar structure" means a surface or structure on a licensed premises if on or at any

158 place of the surface or structure an alcoholic product is:

159 (i) stored; or

160 (ii) dispensed.

161 (8) (a) Subject to Subsection (8)(d), "beer" means a product that:

162 (i) contains at least .5% of alcohol by volume, but not more than 4% of alcohol by

163 volume or 3.2% by weight; and

164 (ii) is obtained by fermentation, infusion, or decoction of malted grain.

165 (b) "Beer" may or may not contain hops or other vegetable products.

166 (c) "Beer" includes a product that:

167 (i) contains alcohol in the percentages described in Subsection (8)(a); and

168 (ii) is referred to as:

169 (A) beer;

170 (B) ale;

171 (C) porter;

172 (D) stout;

173 (E) lager; or

174 (F) a malt or malted beverage.

175 (d) "Beer" does not include a flavored malt beverage.

176 (9) "Beer-only restaurant license" means a license issued in accordance with Chapter 5,

177 Retail License Act, and Chapter 6, Part 9, Beer-only Restaurant License.

178 (10) "Beer retailer" means a business:

179 (a) that is engaged, primarily or incidentally, in the retail sale of beer to a patron,

180 whether for consumption on or off the business premises; and

- 181 (b) to whom a license is issued:
- 182 (i) for an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-premise
183 Beer Retailer Local Authority; or
- 184 (ii) for an on-premise beer retailer, in accordance with Chapter 5, Retail License Act,
185 and Chapter 6, Part 7, On-premise Beer Retailer License.
- 186 (11) "Beer wholesaling license" means a license:
- 187 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
- 188 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
189 retail licensees or off-premise beer retailers.
- 190 (12) "Billboard" means a public display used to advertise, including:
- 191 (a) a light device;
- 192 (b) a painting;
- 193 (c) a drawing;
- 194 (d) a poster;
- 195 (e) a sign;
- 196 (f) a signboard; or
- 197 (g) a scoreboard.
- 198 (13) "Brewer" means a person engaged in manufacturing:
- 199 (a) beer;
- 200 (b) heavy beer; or
- 201 (c) a flavored malt beverage.
- 202 (14) "Brewery manufacturing license" means a license issued in accordance with
203 Chapter 11, Part 5, Brewery Manufacturing License.
- 204 (15) "Certificate of approval" means a certificate of approval obtained from the
205 department under Section 32B-11-201.
- 206 (16) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
207 a bus company to a group of persons pursuant to a common purpose:
- 208 (a) under a single contract;
- 209 (b) at a fixed charge in accordance with the bus company's tariff; and
- 210 (c) to give the group of persons the exclusive use of the passenger bus, coach, or other
211 motor vehicle, and a driver to travel together to one or more specified destinations.

- 212 (17) "Church" means a building:
213 (a) set apart for worship;
214 (b) in which religious services are held;
215 (c) with which clergy is associated; and
216 (d) that is tax exempt under the laws of this state.
- 217 (18) (a) "Club license" means a license issued in accordance with Chapter 5, Retail
218 License Act, and Chapter 6, Part 4, Club License.
- 219 (b) "Club license" includes:
220 (i) a dining club license;
221 (ii) an equity club license;
222 (iii) a fraternal club license; or
223 (iv) a social club license.
- 224 (19) "Commission" means the Alcoholic Beverage Control Commission created in
225 Section 32B-2-201.
- 226 (20) "Commissioner" means a member of the commission.
- 227 (21) "Community location" means:
228 (a) a public or private school;
229 (b) a church;
230 (c) a public library;
231 (d) a public playground; or
232 (e) a public park.
- 233 (22) "Community location governing authority" means:
234 (a) the governing body of the community location; or
235 (b) if the commission does not know who is the governing body of a community
236 location, a person who appears to the commission to have been given on behalf of the
237 community location the authority to prohibit an activity at the community location.
- 238 (23) "Container" means a receptacle that contains an alcoholic product, including:
239 (a) a bottle;
240 (b) a vessel; or
241 (c) a similar item.
- 242 (24) "Convention center" means a facility that is:

- 243 (a) in total at least 30,000 square feet; and
- 244 (b) otherwise defined as a "convention center" by the commission by rule.
- 245 (25) (a) Subject to Subsection (25)(b), "counter" means a surface or structure in a
- 246 dining area of a licensed premises where seating is provided to a patron for service of food.
- 247 (b) "Counter" does not include a surface or structure if on or at any point of the surface
- 248 or structure an alcoholic product is:
- 249 (i) stored; or
- 250 (ii) dispensed.
- 251 (26) "Department" means the Department of Alcoholic Beverage Control created in
- 252 Section 32B-2-203.
- 253 (27) "Department compliance officer" means an individual who is:
- 254 (a) an auditor or inspector; and
- 255 (b) employed by the department.
- 256 (28) "Department sample" means liquor that is placed in the possession of the
- 257 department for testing, analysis, and sampling.
- 258 (29) "Dining club license" means a license issued in accordance with Chapter 5, Retail
- 259 License Act, and Chapter 6, Part 4, Club License, that is designated by the commission as a
- 260 dining club license.
- 261 (30) "Director," unless the context requires otherwise, means the director of the
- 262 department.
- 263 (31) "Disciplinary proceeding" means an adjudicative proceeding permitted under this
- 264 title:
- 265 (a) against a person subject to administrative action; and
- 266 (b) that is brought on the basis of a violation of this title.
- 267 (32) (a) Subject to Subsection (32)(b), "dispense" means:
- 268 (i) drawing of an alcoholic product:
- 269 (A) from an area where it is stored; or
- 270 (B) as provided in Subsection 32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii),
- 271 32B-6-805(15)(b)(ii), or 32B-6-905(12)(b)(ii); and
- 272 (ii) using the alcoholic product described in Subsection (32)(a)(i) on the premises of
- 273 the licensed premises to mix or prepare an alcoholic product to be furnished to a patron of the

274 retail licensee.

275 (b) The definition of "dispense" in this Subsection (32) applies only to:

276 (i) a full-service restaurant license;

277 (ii) a limited-service restaurant license;

278 (iii) a reception center license; and

279 (iv) a beer-only restaurant license.

280 (33) "Distillery manufacturing license" means a license issued in accordance with
281 Chapter 11, Part 4, Distillery Manufacturing License.

282 (34) "Distressed merchandise" means an alcoholic product in the possession of the
283 department that is saleable, but for some reason is unappealing to the public.

284 (35) "Educational facility" includes:

285 (a) a nursery school;

286 (b) an infant day care center; and

287 (c) a trade and technical school.

288 (36) "Equity club license" means a license issued in accordance with Chapter 5, Retail
289 License Act, and Chapter 6, Part 4, Club License, that is designated by the commission as an
290 equity club license.

291 (37) "Event permit" means:

292 (a) a single event permit; or

293 (b) a temporary beer event permit.

294 (38) "Exempt license" means a license exempt under Section 32B-1-201 from being
295 considered in determining the total number of a retail license that the commission may issue at
296 any time.

297 (39) (a) "Flavored malt beverage" means a beverage:

298 (i) that contains at least .5% alcohol by volume;

299 (ii) that is treated by processing, filtration, or another method of manufacture that is not
300 generally recognized as a traditional process in the production of a beer as described in 27
301 C.F.R. Sec. 25.55;

302 (iii) to which is added a flavor or other ingredient containing alcohol, except for a hop
303 extract; and

304 (iv) (A) for which the producer is required to file a formula for approval with the

305 federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or

306 (B) that is not exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55.

307 (b) "Flavored malt beverage" is considered liquor for purposes of this title.

308 (40) "Fraternal club license" means a license issued in accordance with Chapter 5,
309 Retail License Act, and Chapter 6, Part 4, Club License, that is designated by the commission
310 as a fraternal club license.

311 (41) "Full-service restaurant license" means a license issued in accordance with
312 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-service Restaurant License.

313 (42) (a) "Furnish" means by any means to provide with, supply, or give an individual
314 an alcoholic product, by sale or otherwise.

315 (b) "Furnish" includes to:

316 (i) serve;

317 (ii) deliver; or

318 (iii) otherwise make available.

319 (43) "Guest" means an individual who meets the requirements of Subsection
320 32B-6-407(9).

321 (44) "Health care practitioner" means:

322 (a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;

323 (b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;

324 (c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;

325 (d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice
326 Act;

327 (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,
328 Nurse Practice Act;

329 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
330 Practice Act;

331 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
332 Therapy Practice Act;

333 (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;

334 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health
335 Professional Practice Act;

- 336 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
- 337 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
- 338 Practice Act;
- 339 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
- 340 Hygienist Practice Act; and
- 341 (m) a physician assistant licensed under Title 58, Chapter 70a, Physician Assistant Act.
- 342 (45) (a) "Heavy beer" means a product that:
- 343 (i) contains more than 4% alcohol by volume; and
- 344 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- 345 (b) "Heavy beer" is considered liquor for the purposes of this title.
- 346 (46) "Hotel" is as defined by the commission by rule.
- 347 (47) "Identification card" means an identification card issued under Title 53, Chapter 3,
- 348 Part 8, Identification Card Act.
- 349 (48) "Industry representative" means an individual who is compensated by salary,
- 350 commission, or other means for representing and selling an alcoholic product of a
- 351 manufacturer, supplier, or importer of liquor.
- 352 (49) "Industry representative sample" means liquor that is placed in the possession of
- 353 the department for testing, analysis, and sampling by a local industry representative on the
- 354 premises of the department to educate the local industry representative of the quality and
- 355 characteristics of the product.
- 356 (50) "Interdicted person" means a person to whom the sale, offer for sale, or furnishing
- 357 of an alcoholic product is prohibited by:
- 358 (a) law; or
- 359 (b) court order.
- 360 (51) "Intoxicated" means that a person:
- 361 (a) is significantly impaired as to the person's mental or physical functions as a result of
- 362 the use of:
- 363 (i) an alcoholic product;
- 364 (ii) a controlled substance;
- 365 (iii) a substance having the property of releasing toxic vapors; or
- 366 (iv) a combination of Subsections (51)(a)(i) through (iii); and

367 (b) exhibits plain and easily observed outward manifestations of behavior or physical
368 signs produced by the over consumption of an alcoholic product.

369 (52) "Investigator" means an individual who is:

370 (a) a department compliance officer; or

371 (b) a nondepartment enforcement officer.

372 (53) "Invitee" is as defined in Section 32B-8-102.

373 (54) "License" means:

374 (a) a retail license;

375 (b) a license issued in accordance with Chapter 11, Manufacturing and Related
376 Licenses Act;

377 (c) a license issued in accordance with Chapter 12, Liquor Warehousing License Act;

378 or

379 (d) a license issued in accordance with Chapter 13, Beer Wholesaling License Act.

380 (55) "Licensee" means a person who holds a license.

381 (56) "Limited-service restaurant license" means a license issued in accordance with
382 Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-service Restaurant License.

383 (57) "Limousine" means a motor vehicle licensed by the state or a local authority, other
384 than a bus or taxicab:

385 (a) in which the driver and a passenger are separated by a partition, glass, or other
386 barrier;

387 (b) that is provided by a business entity to one or more individuals at a fixed charge in
388 accordance with the business entity's tariff; and

389 (c) to give the one or more individuals the exclusive use of the limousine and a driver
390 to travel to one or more specified destinations.

391 (58) (a) (i) "Liquor" means a liquid that:

392 (A) is:

393 (I) alcohol;

394 (II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;

395 (III) a combination of liquids a part of which is spirituous, vinous, or fermented; or

396 (IV) other drink or drinkable liquid; and

397 (B) (I) contains at least .5% alcohol by volume; and

- 398 (II) is suitable to use for beverage purposes.
- 399 (ii) "Liquor" includes:
- 400 (A) heavy beer;
- 401 (B) wine; and
- 402 (C) a flavored malt beverage.
- 403 (b) "Liquor" does not include beer.
- 404 (59) "Liquor Control Fund" means the enterprise fund created by Section 32B-2-301.
- 405 (60) "Liquor warehousing license" means a license that is issued:
- 406 (a) in accordance with Chapter 12, Liquor Warehousing License Act; and
- 407 (b) to a person, other than a licensed manufacturer, who engages in the importation for
- 408 storage, sale, or distribution of liquor regardless of amount.
- 409 (61) "Local authority" means:
- 410 (a) for premises that are located in an unincorporated area of a county, the governing
- 411 body of a county; or
- 412 (b) for premises that are located in an incorporated city or a town, the governing body
- 413 of the city or town.
- 414 (62) "Lounge or bar area" is as defined by rule made by the commission.
- 415 (63) "Manufacture" means to distill, brew, rectify, mix, compound, process, ferment, or
- 416 otherwise make an alcoholic product for personal use or for sale or distribution to others.
- 417 (64) "Member" means an individual who, after paying regular dues, has full privileges
- 418 in an equity club licensee or fraternal club licensee.
- 419 (65) (a) "Military installation" means a base, air field, camp, post, station, yard, center,
- 420 or homeport facility for a ship:
- 421 (i) (A) under the control of the United States Department of Defense; or
- 422 (B) of the National Guard;
- 423 (ii) that is located within the state; and
- 424 (iii) including a leased facility.
- 425 (b) "Military installation" does not include a facility used primarily for:
- 426 (i) civil works;
- 427 (ii) a rivers and harbors project; or
- 428 (iii) a flood control project.

- 429 (66) "Minor" means an individual under the age of 21 years.
- 430 (67) "Nondepartment enforcement agency" means an agency that:
- 431 (a) (i) is a state agency other than the department; or
- 432 (ii) is an agency of a county, city, or town; and
- 433 (b) has a responsibility to enforce one or more provisions of this title.
- 434 (68) "Nondepartment enforcement officer" means an individual who is:
- 435 (a) a peace officer, examiner, or investigator; and
- 436 (b) employed by a nondepartment enforcement agency.
- 437 (69) (a) "Off-premise beer retailer" means a beer retailer who is:
- 438 (i) licensed in accordance with Chapter 7, Part 2, Off-premise Beer Retailer Local
- 439 Authority; and
- 440 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
- 441 premises.
- 442 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.
- 443 (70) "On-premise banquet license" means a license issued in accordance with Chapter
- 444 5, Retail License Act, and Chapter 6, Part 6, On-premise Banquet License.
- 445 (71) "On-premise beer retailer" means a beer retailer who is:
- 446 (a) authorized to sell, offer for sale, or furnish beer under a license issued in
- 447 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-premise Beer
- 448 Retailer License; and
- 449 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's
- 450 premises:
- 451 (i) regardless of whether the beer retailer sells beer for consumption off the licensed
- 452 premises; and
- 453 (ii) on and after March 1, 2012, operating:
- 454 (A) as a tavern; or
- 455 (B) in a manner that meets the requirements of Subsection 32B-6-703(2)(e)(i).
- 456 (72) "Opaque" means impenetrable to sight.
- 457 (73) "Package agency" means a retail liquor location operated:
- 458 (a) under an agreement with the department; and
- 459 (b) by a person:

460 (i) other than the state; and
461 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package
462 Agency, to sell packaged liquor for consumption off the premises of the package agency.

463 (74) "Package agent" means a person who holds a package agency.

464 (75) "Patron" means an individual to whom food, beverages, or services are sold,
465 offered for sale, or furnished, or who consumes an alcoholic product including:

466 (a) a customer;

467 (b) a member;

468 (c) a guest;

469 (d) an attendee of a banquet or event;

470 (e) an individual who receives room service;

471 (f) a resident of a resort;

472 (g) a public customer under a resort spa sublicense, as defined in Section 32B-8-102;

473 or

474 (h) an invitee.

475 (76) "Permittee" means a person issued a permit under:

476 (a) Chapter 9, Event Permit Act; or

477 (b) Chapter 10, Special Use Permit Act.

478 (77) "Person subject to administrative action" means:

479 (a) a licensee;

480 (b) a permittee;

481 (c) a manufacturer;

482 (d) a supplier;

483 (e) an importer;

484 (f) one of the following holding a certificate of approval:

485 (i) an out-of-state brewer;

486 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or

487 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or

488 (g) staff of:

489 (i) a person listed in Subsections (77)(a) through (f); or

490 (ii) a package agent.

491 (78) "Premises" means a building, enclosure, or room used in connection with the
492 storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic product,
493 unless otherwise defined in this title or rules made by the commission.

494 (79) "Prescription" means an order issued by a health care practitioner when:

495 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,
496 to prescribe a controlled substance, other drug, or device for medicinal purposes;

497 (b) the order is made in the course of that health care practitioner's professional
498 practice; and

499 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.

500 (80) (a) "Private event" means a specific social, business, or recreational event:

501 (i) for which an entire room, area, or hall is leased or rented in advance by an identified
502 group; and

503 (ii) that is limited in attendance to people who are specifically designated and their
504 guests.

505 (b) "Private event" does not include an event to which the general public is invited,
506 whether for an admission fee or not.

507 (81) (a) "Proof of age" means:

508 (i) an identification card;

509 (ii) an identification that:

510 (A) is substantially similar to an identification card;

511 (B) is issued in accordance with the laws of a state other than Utah in which the
512 identification is issued;

513 (C) includes date of birth; and

514 (D) has a picture affixed;

515 (iii) a valid driver license certificate that:

516 (A) includes date of birth;

517 (B) has a picture affixed; and

518 (C) is issued:

519 (I) under Title 53, Chapter 3, Uniform Driver License Act; or

520 (II) in accordance with the laws of the state in which it is issued;

521 (iv) a military identification card that:

- 522 (A) includes date of birth; and
- 523 (B) has a picture affixed; or
- 524 (v) a valid passport.
- 525 (b) "Proof of age" does not include a driving privilege card issued in accordance with
- 526 Section 53-3-207.
- 527 (82) (a) "Public building" means a building or permanent structure that is:
- 528 (i) owned or leased by:
- 529 (A) the state; or
- 530 (B) a local government entity; and
- 531 (ii) used for:
- 532 (A) public education;
- 533 (B) transacting public business; or
- 534 (C) regularly conducting government activities.
- 535 (b) "Public building" does not include a building owned by the state or a local
- 536 government entity when the building is used by a person, in whole or in part, for a proprietary
- 537 function.
- 538 (83) "Public conveyance" means a conveyance to which the public or a portion of the
- 539 public has access to and a right to use for transportation, including an airline, railroad, bus,
- 540 boat, or other public conveyance.
- 541 (84) "Reception center" means a business that:
- 542 (a) operates facilities that are at least 5,000 square feet; and
- 543 (b) has as its primary purpose the leasing of the facilities described in Subsection
- 544 (84)(a) to a third party for the third party's event.
- 545 (85) "Reception center license" means a license issued in accordance with Chapter 5,
- 546 Retail License Act, and Chapter 6, Part 8, Reception Center License.
- 547 (86) (a) "Record" means information that is:
- 548 (i) inscribed on a tangible medium; or
- 549 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.
- 550 (b) "Record" includes:
- 551 (i) a book;
- 552 (ii) a book of account;

- 553 (iii) a paper;
- 554 (iv) a contract;
- 555 (v) an agreement;
- 556 (vi) a document; or
- 557 (vii) a recording in any medium.
- 558 (87) "Residence" means a person's principal place of abode within Utah.
- 559 (88) "Resident," in relation to a resort, is as defined in Section 32B-8-102.
- 560 (89) "Resort" is as defined in Section 32B-8-102.
- 561 (90) "Resort facility" is as defined by the commission by rule.
- 562 (91) "Resort license" means a license issued in accordance with Chapter 5, Retail
- 563 License Act, and Chapter 8, Resort License Act.
- 564 (92) "Restaurant" means a business location:
- 565 (a) at which a variety of foods are prepared;
- 566 (b) at which complete meals are served to the general public; and
- 567 (c) that is engaged primarily in serving meals to the general public.
- 568 (93) "Retail license" means one of the following licenses issued under this title:
- 569 (a) a full-service restaurant license;
- 570 (b) a master full-service restaurant license;
- 571 [~~(b)~~] (c) a limited-service restaurant license;
- 572 (d) a master limited-service restaurant license;
- 573 [~~(c)~~] (e) a club license;
- 574 [~~(d)~~] (f) an airport lounge license;
- 575 [~~(e)~~] (g) an on-premise banquet license;
- 576 [~~(f)~~] (h) an on-premise beer license;
- 577 [~~(g)~~] (i) a reception center license; [or]
- 578 [~~(h)~~] (j) a beer-only restaurant license[-]; or
- 579 (k) a resort license.
- 580 (94) "Room service" means furnishing an alcoholic product to a person in a guest room
- 581 of a:
- 582 (a) hotel; or
- 583 (b) resort facility.

- 584 (95) "Serve" means to place an alcoholic product before an individual.
- 585 (96) (a) "School" means a building used primarily for the general education of minors.
- 586 (b) "School" does not include an educational facility.
- 587 (97) "Sell" or "offer for sale" means a transaction, exchange, or barter whereby, for
- 588 consideration, an alcoholic product is either directly or indirectly transferred, solicited, ordered,
- 589 delivered for value, or by a means or under a pretext is promised or obtained, whether done by
- 590 a person as a principal, proprietor, or as staff, unless otherwise defined in this title or the rules
- 591 made by the commission.
- 592 (98) "Sexually oriented entertainer" means a person who while in a state of seminudity
- 593 appears at or performs:
- 594 (a) for the entertainment of one or more patrons;
- 595 (b) on the premises of:
- 596 (i) a social club licensee; or
- 597 (ii) a tavern;
- 598 (c) on behalf of or at the request of the licensee described in Subsection (98)(b);
- 599 (d) on a contractual or voluntary basis; and
- 600 (e) whether or not the person is designated as:
- 601 (i) an employee;
- 602 (ii) an independent contractor;
- 603 (iii) an agent of the licensee; or
- 604 (iv) a different type of classification.
- 605 (99) "Single event permit" means a permit issued in accordance with Chapter 9, Part 3,
- 606 Single Event Permit.
- 607 (100) "Small brewer" means a brewer who manufactures less than 60,000 barrels of
- 608 beer, heavy beer, and flavored malt beverages per year.
- 609 (101) "Social club license" means a license issued in accordance with Chapter 5, Retail
- 610 License Act, and Chapter 6, Part 4, Club License, that is designated by the commission as a
- 611 social club license.
- 612 (102) "Special use permit" means a permit issued in accordance with Chapter 10,
- 613 Special Use Permit Act.
- 614 (103) (a) "Spirituous liquor" means liquor that is distilled.

615 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
616 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

617 (104) "Sports center" is as defined by the commission by rule.

618 (105) (a) "Staff" means an individual who engages in activity governed by this title:

619 (i) on behalf of a business, including a package agent, licensee, permittee, or certificate
620 holder;

621 (ii) at the request of the business, including a package agent, licensee, permittee, or
622 certificate holder; or

623 (iii) under the authority of the business, including a package agent, licensee, permittee,
624 or certificate holder.

625 (b) "Staff" includes:

626 (i) an officer;

627 (ii) a director;

628 (iii) an employee;

629 (iv) personnel management;

630 (v) an agent of the licensee, including a managing agent;

631 (vi) an operator; or

632 (vii) a representative.

633 (106) "State of nudity" means:

634 (a) the appearance of:

635 (i) the nipple or areola of a female human breast;

636 (ii) a human genital;

637 (iii) a human pubic area; or

638 (iv) a human anus; or

639 (b) a state of dress that fails to opaquely cover:

640 (i) the nipple or areola of a female human breast;

641 (ii) a human genital;

642 (iii) a human pubic area; or

643 (iv) a human anus.

644 (107) "State of seminudity" means a state of dress in which opaque clothing covers no
645 more than:

646 (a) the nipple and areola of the female human breast in a shape and color other than the
647 natural shape and color of the nipple and areola; and

648 (b) the human genitals, pubic area, and anus:

649 (i) with no less than the following at its widest point:

650 (A) four inches coverage width in the front of the human body; and

651 (B) five inches coverage width in the back of the human body; and

652 (ii) with coverage that does not taper to less than one inch wide at the narrowest point.

653 (108) (a) "State store" means a facility for the sale of packaged liquor:

654 (i) located on premises owned or leased by the state; and

655 (ii) operated by a state employee.

656 (b) "State store" does not include:

657 (i) a package agency;

658 (ii) a licensee; or

659 (iii) a permittee.

660 (109) (a) "Storage area" means an area on licensed premises where the licensee stores
661 an alcoholic product.

662 (b) "Store" means to place or maintain in a location an alcoholic product from which a
663 person draws to prepare an alcoholic product to be furnished to a patron, except as provided in
664 Subsection 32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii), 32B-6-805(15)(b)(ii), or
665 32B-6-905(12)(b)(ii).

666 (110) "Sublicense" is as defined in Section 32B-8-102.

667 (111) "Supplier" means a person who sells an alcoholic product to the department.

668 (112) "Tavern" means an on-premise beer retailer who is:

669 (a) issued a license by the commission in accordance with Chapter 5, Retail License
670 Act, and Chapter 6, Part 7, On-premise Beer Retailer License; and

671 (b) designated by the commission as a tavern in accordance with Chapter 6, Part 7,
672 On-premise Beer Retailer License.

673 (113) "Temporary beer event permit" means a permit issued in accordance with
674 Chapter 9, Part 4, Temporary Beer Event Permit.

675 (114) "Temporary domicile" means the principal place of abode within Utah of a
676 person who does not have a present intention to continue residency within Utah permanently or

677 indefinitely.

678 (115) "Translucent" means a substance that allows light to pass through, but does not
679 allow an object or person to be seen through the substance.

680 (116) "Unsaleable liquor merchandise" means a container that:

681 (a) is unsaleable because the container is:

682 (i) unlabeled;

683 (ii) leaky;

684 (iii) damaged;

685 (iv) difficult to open; or

686 (v) partly filled;

687 (b) (i) has faded labels or defective caps or corks;

688 (ii) has contents that are:

689 (A) cloudy;

690 (B) spoiled; or

691 (C) chemically determined to be impure; or

692 (iii) contains:

693 (A) sediment; or

694 (B) a foreign substance; or

695 (c) is otherwise considered by the department as unfit for sale.

696 (117) (a) "Wine" means an alcoholic product obtained by the fermentation of the
697 natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or not
698 another ingredient is added.

699 (b) "Wine" is considered liquor for purposes of this title, except as otherwise provided
700 in this title.

701 (118) "Winery manufacturing license" means a license issued in accordance with
702 Chapter 11, Part 3, Winery Manufacturing License.

703 Section 2. Section **32B-1-201** is amended to read:

704 **32B-1-201. Restrictions on number of retail licenses that may be issued --**

705 **Determining population -- Exempt licenses.**

706 (1) As used in this section:

707 (a) "Alcohol-related law enforcement officer" means a law enforcement officer

708 employed by the Department of Public Safety that has as a primary responsibility:

709 (i) the enforcement of this title; or

710 (ii) the enforcement of Title 41, Chapter 6a, Part 5, Driving Under the Influence and
711 Reckless Driving.

712 (b) "Enforcement ratio" is the number calculated as follows:

713 (i) determine the quotient equal to the sum of the total number of quota retail licenses
714 available and the total number of licensed premises operating under a master full-service
715 restaurant license or under a master limited-service restaurant license divided by the total
716 number of alcohol-related law enforcement officers; and

717 (ii) round the number determined in accordance with Subsection (1)(b)(ii) up to the
718 nearest whole number.

719 (c) "Quota retail license" means:

720 (i) a full-service restaurant license;

721 (ii) a limited-service restaurant license;

722 (iii) a club license;

723 (iv) an on-premise banquet license;

724 (v) an on-premise beer retailer operating as a tavern; and

725 (vi) a reception center license.

726 (d) "Total number of alcohol-related law enforcement officers" means the total number
727 of positions designated as alcohol-related law enforcement officers that are funded as of a
728 specified date as certified by the Department of Public Safety to the department.

729 (e) "Total number of quota retail licenses available" means the number calculated by:

730 (i) determining as of a specified date for each quota retail license the number of
731 licenses that the commission may not exceed calculated by dividing the population of the state
732 by the number specified in the relevant provision for the quota retail license; and

733 (ii) adding together the numbers determined under Subsection (1)(d)(i).

734 (2) (a) Beginning on July 1, 2012, the department shall annually determine the
735 enforcement ratio as of July 1 of that year.

736 (b) If, beginning on July 1, 2012, the enforcement ratio is greater than 52, the
737 commission may not issue a quota retail license for the 12-month period beginning on the July
738 1 for which the enforcement ratio is greater than 52.

739 (c) Notwithstanding Subsection (2)(b), the commission may issue a quota retail license
740 during the 12-month period described in Subsection (2)(b) beginning on the day on which a
741 sufficient number of alcohol-related law enforcement officers are employed so that if the
742 enforcement ratio is calculated, the enforcement ratio would be equal to or less than 52.

743 (d) Once the Department of Public Safety certifies under Subsection (1)(d) the total
744 number of positions designated as alcohol-related law enforcement officers that are funded as
745 of July 1, the Department of Public Safety may not use the funding for the designated
746 alcohol-related law enforcement officers for a purpose other than funding those positions.

747 (3) For purposes of determining the number of state stores that the commission may
748 establish or the number of package agencies or retail licenses that the commission may issue,
749 the commission shall determine population by:

750 (a) the most recent United States decennial or special census; or

751 (b) another population determination made by the United States or state governments.

752 (4) The commission may not consider a retail license that meets the following
753 conditions in determining the total number of licenses available for that type of retail license
754 that the commission may issue at any time:

755 (a) the retail license was issued to a club licensee designated as a dining club as of July
756 1, 2011; and

757 (b) the dining club license is converted to another type of retail license in accordance
758 with Section 32B-6-409.

759 Section 3. Section **32B-1-202** is amended to read:

760 **32B-1-202. Proximity to community location.**

761 (1) For purposes of this section, "outlet" means:

762 (a) a state store;

763 (b) a package agency; or

764 (c) a retail licensee, except an airport lounge licensee.

765 (2) Except as otherwise provided in this section, the premises of an outlet may not be
766 located:

767 (a) within 600 feet of a community location, as measured from the nearest entrance of
768 the outlet by following the shortest route of ordinary pedestrian travel to the property boundary
769 of the community location; or

770 (b) within 200 feet of a community location, measured in a straight line from the
771 nearest entrance of the outlet to the nearest property boundary of the community location.

772 (3) With respect to the location of an outlet, the commission may authorize a variance
773 to reduce the proximity requirement of Subsection (2) if:

774 (a) when the variance reduces the proximity requirement of Subsection (2)(b), the
775 community location at issue is:

776 (i) a public library; or

777 (ii) a public park;

778 (b) except with respect to a state store, the local authority gives its written consent to
779 the variance;

780 (c) the commission finds that alternative locations for locating that type of outlet in the
781 community are limited;

782 (d) a public hearing is held in the city, town, or county, and when practical in the
783 neighborhood concerned;

784 (e) after giving full consideration to the attending circumstances and the policies stated
785 in Subsections 32B-1-103(3) and (4), the commission determines that locating the outlet in that
786 location would not be detrimental to the public health, peace, safety, and welfare of the
787 community;

788 (f) (i) the community location governing authority gives its written consent to the
789 variance; or

790 (ii) if the community location governing authority does not give its written consent to a
791 variance, the commission finds the following for a state store, or if the outlet is a package
792 agency or retail licensee, the commission finds that the applicant establishes the following:

793 (A) there is substantial unmet public demand to consume an alcoholic product:

794 (I) within the geographic boundary of the local authority in which the outlet is to be
795 located; and

796 (II) for an outlet that is a retail licensee, in a public setting;

797 (B) there is no reasonably viable alternative for satisfying the substantial unmet
798 demand other than through locating that type of outlet in that location; and

799 (C) there is no reasonably viable alternative location within the geographic boundary of
800 the local authority in which the outlet is to be located for locating that type of outlet to satisfy

801 the unmet demand.

802 (4) With respect to the premises of a package agency or retail licensee that undergoes a
803 change of ownership, the commission may waive or vary the proximity requirements of
804 Subsection (2) in considering whether to issue the package agency or same type of retail license
805 to the new owner of the premises if:

806 (a) the premises previously received a variance reducing the proximity requirement of
807 Subsection (2)(a);

808 (b) the premises received a variance reducing the proximity requirement of Subsection
809 (2)(b) on or before May 4, 2008; or

810 (c) a variance from proximity requirements was otherwise allowed under this title.

811 (5) The commission may grant a variance to a person seeking a retail license from the
812 requirements of Subsection (2)(b) if:

813 (a) the premises to be licensed is located in a city of the fifth class or a town;

814 (b) on or before May 4, 2008, the premises was licensed;

815 (c) the operations at the premises to be licensed ceased for a period not to exceed three
816 years; and

817 (d) the person is operating and otherwise qualified to obtain the retail license that the
818 person is seeking.

819 [~~5~~] (6) Nothing in this section prevents the commission from considering the
820 proximity of an educational, religious, and recreational facility, or any other relevant factor in
821 reaching a decision on a proposed location of an outlet.

822 Section 4. Section **32B-1-207** is amended to read:

823 **32B-1-207. Calculation of ratio of gross receipts of food to alcoholic product.**

824 In calculating the annual gross receipts of a retail license or sublicense for purposes of
825 determining the percentage of gross receipts from the sale, offer for sale, or furnishing of food
826 or an alcoholic product, a retail licensee may not include in the calculation the money from the
827 sale of a bottle of wine by the retail licensee or under a sublicense that is in excess of [~~\$250~~]
828 \$100.

829 Section 5. Section **32B-2-202** is amended to read:

830 **32B-2-202. Powers and duties of the commission.**

831 (1) The commission shall:

832 (a) [~~consistent with~~] subject to the policy established by the Legislature by statute, act
833 as a general [~~polymaking~~] administrative body on the subject of alcoholic product control;

834 (b) adopt and issue policies, rules, and procedures to the extent expressly authorized by
835 this title;

836 (c) set policy by written rules that establish criteria and procedures for:

837 (i) issuing, denying, not renewing, suspending, or revoking a package agency, license,
838 permit, or certificate of approval; and

839 (ii) determining the location of a state store, package agency, or retail licensee;

840 (d) decide within the limits, and under the conditions imposed by this title, the number
841 and location of state stores, package agencies, and retail licensees in the state;

842 (e) issue, deny, suspend, revoke, or not renew the following package agencies, licenses,
843 permits, or certificates of approval for the purchase, storage, sale, offer for sale, furnishing,
844 consumption, manufacture, and distribution of an alcoholic product:

845 (i) a package agency;

846 (ii) a full-service restaurant license;

847 (iii) a master full-service restaurant license;

848 [~~(iii)~~] (iv) a limited-service restaurant license;

849 (v) a master limited-service restaurant license;

850 [~~(iv)~~] (vi) a club license;

851 [~~(v)~~] (vii) an airport lounge license;

852 [~~(vi)~~] (viii) an on-premise banquet license;

853 [~~(vii)~~] (ix) a resort license, under which four or more sublicenses may be included;

854 [~~(viii)~~] (x) an on-premise beer retailer license;

855 [~~(ix)~~] (xi) a reception center license;

856 [~~(x)~~] (xii) a beer-only restaurant license;

857 [~~(xi)~~] (xiii) subject to Subsection (4), a single event permit;

858 [~~(xii)~~] (xiv) subject to Subsection (4), a temporary beer event permit;

859 [~~(xiii)~~] (xv) a special use permit;

860 [~~(xiv)~~] (xvi) a manufacturing license;

861 [~~(xv)~~] (xvii) a liquor warehousing license;

862 [~~(xvi)~~] (xviii) a beer wholesaling license; and

- 863 [~~(xvii)~~] (xix) one of the following that holds a certificate of approval:
- 864 (A) an out-of-state brewer;
- 865 (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and
- 866 (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages;
- 867 (f) in accordance with Section 32B-5-205, issue, deny, suspend, or revoke [~~one of the~~
- 868 following] conditional licenses for the purchase, storage, sale, furnishing, consumption,
- 869 manufacture, and distribution of an alcoholic product[~~±~~];
- 870 [~~(i) a conditional full-service restaurant license; or~~
- 871 [~~(ii) a conditional limited-service restaurant license;~~
- 872 (g) prescribe the duties of the department in assisting the commission in issuing a
- 873 package agency, license, permit, or certificate of approval under this title;
- 874 (h) to the extent a fee is not specified in this title, establish a fee allowed under this title
- 875 in accordance with Section 63J-1-504;
- 876 (i) fix prices at which liquor is sold that are the same at all state stores, package
- 877 agencies, and retail licensees;
- 878 (j) issue and distribute price lists showing the price to be paid by a purchaser for each
- 879 class, variety, or brand of liquor kept for sale by the department;
- 880 (k) (i) require the director to follow sound management principles; and
- 881 (ii) require periodic reporting from the director to ensure that:
- 882 (A) sound management principles are being followed; and
- 883 (B) policies established by the commission are being observed;
- 884 (l) (i) receive, consider, and act in a timely manner upon the reports, recommendations,
- 885 and matters submitted by the director to the commission; and
- 886 (ii) do the things necessary to support the department in properly performing the
- 887 department's duties;
- 888 (m) obtain temporarily and for special purposes the services of an expert or person
- 889 engaged in the practice of a profession, or a person who possesses a needed skill if:
- 890 (i) considered expedient; and
- 891 (ii) approved by the governor;
- 892 (n) prescribe the conduct, management, and equipment of premises upon which an
- 893 alcoholic product may be stored, sold, offered for sale, furnished, or consumed;

894 (o) make rules governing the credit terms of beer sales within the state to retail
895 licensees; and

896 (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take
897 disciplinary action against a person subject to administrative action.

898 (2) [~~Consistent with~~] Subject to the policy established by the Legislature by statute, the
899 power of the commission to do the following is plenary, except as otherwise provided by this
900 title, and not subject to review:

901 (a) establish a state store;

902 (b) issue authority to act as a package agent or operate a package agency; and

903 (c) issue or deny a license, permit, or certificate of approval.

904 (3) If the commission is authorized or required to make a rule under this title, the
905 commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative
906 Rulemaking Act.

907 (4) Notwithstanding Subsections (1)(e)(xi) and (xii), the director or deputy director
908 may issue an event permit in accordance with Chapter 9, Event Permit Act.

909 (5) Notwithstanding the other provisions of this title, the commission may not waive or
910 vary the requirements imposed under this title, including licensing and operational
911 requirements, except when this title expressly grants the commission authority to waive or vary
912 the requirements.

913 Section 6. Section **32B-2-301** is amended to read:

914 **32B-2-301. State property -- Liquor Control Fund -- Markup Holding Fund.**

915 (1) The following are property of the state:

916 (a) the money received in the administration of this title, except as otherwise provided;
917 and

918 (b) property acquired, administered, possessed, or received by the department.

919 (2) (a) There is created an enterprise fund known as the "Liquor Control Fund."

920 (b) Except as provided in Sections 32B-3-205 and 32B-2-304, money received in the
921 administration of this title shall be transferred to the Liquor Control Fund.

922 (3) (a) There is created an enterprise fund known as the "Markup Holding Fund."

923 (b) In accordance with Section 32B-2-304, the State Tax Commission shall deposit
924 revenue remitted to the State Tax Commission from the markup imposed under Section

925 32B-2-304 into the Markup Holding Fund.

926 (c) Money deposited into the Markup Holding Fund may be expended:

927 (i) to the extent appropriated by the Legislature; and

928 (ii) to fund the deposits required by Subsection 32B-2-304(4) and Subsection

929 32B-2-305(4).

930 ~~[(4) The state treasurer shall by warrant draw from the Liquor Control Fund and, to the~~

931 ~~extent appropriated by the Legislature, from the Markup Holding Fund, the expenses, debts,~~

932 ~~and liabilities incurred by the department in connection with the administration of this title or~~

933 ~~any other expense necessary for the administration of this title, including:]~~

934 ~~[(a) salaries;]~~

935 ~~[(b) premiums, if any, on a bond for which the department pays premiums; and]~~

936 ~~[(c) an expenditure incurred in establishing, operating, or maintaining a state store or~~

937 ~~package agency.]~~

938 (4) The department may draw from the Liquor Control Fund only to the extent

939 appropriated by the Legislature or provided for by statute, except that the department may draw

940 by warrant without an appropriation from the Liquor Control Fund for an expenditure that is

941 directly incurred by the department:

942 (a) to purchase an alcoholic product;

943 (b) to transport an alcoholic product from the supplier to a warehouse of the

944 department; and

945 (c) for variances related to an alcoholic product.

946 (5) The department shall transfer annually from the Liquor Control Fund and the State

947 Tax Commission shall transfer annually from the Markup Holding Fund to the General Fund a

948 sum equal to the amount of net profit earned from the sale of liquor since the preceding transfer

949 of money under this Subsection (5). The transfers shall be calculated by no later than

950 September 1 and made by no later than September 30 after a fiscal year. The Division of

951 Finance may make year-end closing entries in the Liquor Control Fund and the Markup

952 Holding Fund in order to comply with Subsection 51-5-6(2).

953 (6) (a) By the end of each day, the department shall:

954 (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and

955 (ii) report the deposit to the state treasurer.

956 (b) A commissioner or department employee is not personally liable for a loss caused
957 by the default or failure of a qualified depository.

958 (c) Money deposited in a qualified depository is entitled to the same priority of
959 payment as other public funds of the state.

960 (7) If the cash balance of the Liquor Control Fund is not adequate to cover a warrant
961 drawn against the Liquor Control Fund by the [~~state treasurer~~] department, the cash resources
962 of the General Fund may be used to the extent necessary. At no time may the fund equity of
963 the Liquor Control Fund fall below zero.

964 Section 7. Section **32B-2-305** is amended to read:

965 **32B-2-305. Alcoholic Beverage Control Act Enforcement Fund.**

966 (1) As used in this section:

967 (a) "Alcohol-related law enforcement officer" is as defined in Section 32B-1-201.

968 (b) "Enforcement ratio" is as defined in Section 32B-1-201.

969 (c) "Fund" means the Alcoholic Beverage Control Act Enforcement Fund created in
970 this section.

971 (2) There is created a restricted special revenue fund known as the "Alcoholic
972 Beverage Control Act Enforcement Fund."

973 (3) (a) The fund consists of:

974 (i) deposits made under Subsection (4); [~~and~~]

975 (ii) deposits made under Subsection 32B-3-205(3); and

976 [~~(†)~~] (iii) interest earned on the fund.

977 (b) The fund shall earn interest. Interest on the fund shall be deposited into the fund.

978 (4) After the deposit made under Section 32B-2-304 for the school lunch program, the
979 department shall deposit 1% of the total gross revenue from the sale of liquor with the state
980 treasurer to be credited to the fund to be used by the Department of Public Safety as provided
981 in Subsection (5).

982 (5) (a) The Department of Public Safety shall expend money from the fund to
983 supplement appropriations by the Legislature so that the Department of Public Safety maintains
984 a sufficient number of alcohol-related law enforcement officers such that beginning on July 1,
985 2012, each year the enforcement ratio as of July 1 is equal to or less than the number specified
986 in Section 32B-1-201.

987 (b) Beginning July 1, 2012, four alcohol-related law enforcement officers shall have as
988 a primary focus the enforcement of this title in relationship to restaurants.

989 Section 8. Section **32B-2-307** is enacted to read:

990 **32B-2-307. Alcoholic Beverage Control Act Legal Fund.**

991 (1) As used in this section, "fund" means the Alcoholic Beverage Control Act Legal
992 Fund created in this section.

993 (2) There is created a restricted special revenue fund known as the "Alcoholic
994 Beverage Control Act Legal Fund."

995 (3) (a) The fund consists of:

996 (i) deposits made under Section 32B-3-205; and

997 (ii) interest earned on the fund.

998 (b) The fund shall earn interest. Interest on the fund shall be deposited into the fund.

999 (4) The Office of the Attorney General shall expend money from the fund to
1000 supplement appropriations by the Legislature to fund enforcement of this title.

1001 Section 9. Section **32B-2-605** is amended to read:

1002 **32B-2-605. Operational requirements for package agency.**

1003 (1) (a) A person may not operate a package agency until a package agency agreement is
1004 entered into by the package agent and the department.

1005 (b) A package agency agreement shall state the conditions of operation by which the
1006 package agent and the department are bound.

1007 (c) (i) If a package agent or staff of the package agent violates this title, rules under this
1008 title, or the package agency agreement, the department may take any action against the package
1009 agent that is allowed by the package agency agreement.

1010 (ii) An action against a package agent is governed solely by its package agency
1011 agreement and may include suspension or revocation of the package agency.

1012 (iii) A package agency agreement shall provide procedures to be followed if a package
1013 agent fails to pay money owed to the department including a procedure for replacing the
1014 package agent or operator of the package agency.

1015 (iv) A package agency agreement shall provide that the package agency is subject to
1016 covert investigations for selling an alcoholic product to a minor.

1017 (v) Notwithstanding that this part refers to "package agency" or "package agent," staff

1018 of the package agency or package agent is subject to the same requirement or prohibition.

1019 (2) (a) A package agency shall be operated by an individual who is either:

1020 (i) the package agent; or

1021 (ii) an individual designated by the package agent.

1022 (b) An individual who is a designee under this Subsection (2) shall be:

1023 (i) an employee of the package agent; and

1024 (ii) responsible for the operation of the package agency.

1025 (c) The conduct of the designee is attributable to the package agent.

1026 (d) A package agent shall submit the name of the person operating the package agency
1027 to the department for the department's approval.

1028 (e) A package agent shall state the name and title of a designee on the application for a
1029 package agency.

1030 (f) A package agent shall:

1031 (i) inform the department of a proposed change in the individual designated to operate
1032 a package agency; and

1033 (ii) receive prior approval from the department before implementing the change
1034 described in this Subsection (2)(f).

1035 (g) Failure to comply with the requirements of this Subsection (2) may result in the
1036 immediate termination of a package agency agreement.

1037 (3) (a) A package agent shall display in a prominent place in the package agency the
1038 record issued by the commission that designates the package agency.

1039 (b) A package agent that displays or stores liquor at a location visible to the public
1040 shall display in a prominent place in the package agency a sign in large letters that consists of
1041 text in the following order:

1042 (i) a header that reads: "WARNING";

1043 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
1044 can cause birth defects and permanent brain damage for the child.";

1045 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
1046 [insert most current toll-free number] with questions or for more information.";

1047 (iv) a header that reads: "WARNING"; and

1048 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a

1049 serious crime that is prosecuted aggressively in Utah."

1050 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
1051 font style than the text described in Subsections (3)(b)(iv) and (v).

1052 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
1053 same font size.

1054 (d) The Department of Health shall work with the commission and department to
1055 facilitate consistency in the format of a sign required under this section.

1056 (4) A package agency may not display liquor or a price list in a window or showcase
1057 that is visible to passersby.

1058 (5) (a) A package agency may not purchase liquor from a person except from the
1059 department.

1060 (b) At the discretion of the department, liquor may be provided by the department to a
1061 package agency for sale on consignment.

1062 (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place
1063 other than as designated in the package agent's application, unless the package agent first
1064 applies for and receives approval from the department for a change of location within the
1065 package agency premises.

1066 (7) A package agency may not sell, offer for sale, or furnish liquor except at a price
1067 fixed by the commission.

1068 (8) A package agency may not sell, offer for sale, or furnish liquor to:

1069 (a) a minor;

1070 (b) a person actually, apparently, or obviously intoxicated;

1071 (c) a known interdicted person; or

1072 (d) a known habitual drunkard.

1073 (9) (a) A package agency may not employ a minor to handle liquor.

1074 (b) (i) Staff of a package agency may not:

1075 (A) consume an alcoholic product on the premises of a package agency; or

1076 (B) allow any person to consume an alcoholic product on the premises of a package
1077 agency.

1078 (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.

1079 (10) (a) A package agency may not close or cease operation for a period longer than 72

1080 hours, unless:

1081 (i) the package agency notifies the department in writing at least seven days before the
1082 closing; and

1083 (ii) the closure or cessation of operation is first approved by the department.

1084 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
1085 agency shall immediately notify the department by telephone.

1086 (c) (i) The department may authorize a closure or cessation of operation for a period
1087 not to exceed 60 days.

1088 (ii) The department may extend the initial period an additional 30 days upon written
1089 request of the package agency and upon a showing of good cause.

1090 (iii) A closure or cessation of operation may not exceed a total of 90 days without
1091 commission approval.

1092 (d) The notice required by Subsection (10)(a) shall include:

1093 (i) the dates of closure or cessation of operation;

1094 (ii) the reason for the closure or cessation of operation; and

1095 (iii) the date on which the package agency will reopen or resume operation.

1096 (e) Failure of a package agency to provide notice and to obtain department
1097 authorization before closure or cessation of operation results in an automatic termination of the
1098 package agency agreement effective immediately.

1099 (f) Failure of a package agency to reopen or resume operation by the approved date
1100 results in an automatic termination of the package agency agreement effective on that date.

1101 (11) A package agency may not transfer its operations from one location to another
1102 location without prior written approval of the commission. A package agency shall pay an
1103 application fee of \$300 to apply for the written approval of the commission under this
1104 Subsection (11).

1105 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,
1106 exchange, barter, give, or attempt in any way to dispose of the package agency to another
1107 person, whether for monetary gain or not.

1108 (b) A package agency has no monetary value for any type of disposition.

1109 (13) (a) Subject to the other provisions of this Subsection (13):

1110 (i) sale or delivery of liquor may not be made on or from the premises of a package

1111 agency, and a package agency may not be kept open for the sale of liquor:

1112 (A) on Sunday; or

1113 (B) on a state or federal legal holiday.

1114 (ii) Sale or delivery of liquor may be made on or from the premises of a package

1115 agency, and a package agency may be open for the sale of liquor, only on a day and during

1116 hours that the commission directs by rule or order.

1117 (b) A package agency located at a manufacturing facility is not subject to Subsection

1118 (13)(a) if:

1119 (i) the package agency is located [at] on the same parcel as a manufacturing facility

1120 licensed in accordance with Chapter 11, Manufacturing and Related Licenses Act;

1121 (ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing

1122 and Related Licenses Act, holds:

1123 (A) a full-service restaurant license;

1124 (B) a limited-service restaurant license;

1125 (C) a beer-only restaurant license; or

1126 (D) dining club license;

1127 (iii) the restaurant or dining club is located at the manufacturing facility;

1128 (iv) the restaurant or dining club sells an alcoholic product produced [at] by the

1129 manufacturing [facility] licensee;

1130 (v) the manufacturing facility:

1131 (A) owns the restaurant or dining club; or

1132 (B) operates the restaurant or dining club;

1133 (vi) the package agency only sells an alcoholic product produced [at] by the

1134 manufacturing [facility] licensee; and

1135 (vii) the package agency's days and hours of sale are the same as the days and hours of

1136 sale at the restaurant or dining club.

1137 (c) (i) Subsection (13)(a) does not apply to a package agency held by a resort licensee if

1138 the package agent that holds the package agency to sell liquor at the resort does not sell liquor

1139 in a manner similar to a state store.

1140 (ii) The commission may by rule define what constitutes a package agency that sells

1141 liquor "in a manner similar to a state store."

1142 (d) As used in this Subsection (13), "parcel" means an identifiable single unit of
1143 property that is treated as separate for valuation or zoning purposes and includes an
1144 improvement on that unit of property.

1145 (14) (a) Except to the extent authorized by commission rule, a minor may not be
1146 admitted into, or be on the premises of a package agency unless accompanied by a person who
1147 is:

- 1148 (i) 21 years of age or older; and
- 1149 (ii) the minor's parent, legal guardian, or spouse.

1150 (b) A package agent or staff of a package agency that has reason to believe that a
1151 person who is on the premises of a package agency is under the age of 21 and is not
1152 accompanied by a person described in Subsection (14)(a) may:

- 1153 (i) ask the suspected minor for proof of age;
- 1154 (ii) ask the person who accompanies the suspected minor for proof of age; and
- 1155 (iii) ask the suspected minor or the person who accompanies the suspected minor for
1156 proof of parental, guardianship, or spousal relationship.

1157 (c) A package agent or staff of a package agency shall refuse to sell liquor to the
1158 suspected minor and to the person who accompanies the suspected minor into the package
1159 agency if the minor or person fails to provide any information specified in Subsection (14)(b).

1160 (d) A package agent or staff of a package agency shall require the suspected minor and
1161 the person who accompanies the suspected minor into the package agency to immediately leave
1162 the premises of the package agency if the minor or person fails to provide information specified
1163 in Subsection (14)(b).

1164 (15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed
1165 container.

1166 (b) A person may not open a sealed container on the premises of a package agency.

1167 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or
1168 furnish liquor in other than a sealed container:

- 1169 (i) if the package agency is the type of package agency that authorizes the package
1170 agency to sell, offer for sale, or furnish the liquor as part of room service;
- 1171 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and
- 1172 (iii) subject to:

1173 (A) staff of the package agency providing the liquor in person only to an adult guest in
1174 the guest room;

1175 (B) staff of the package agency not leaving the liquor outside a guest room for retrieval
1176 by a guest; and

1177 (C) the same limits on the portions in which an alcoholic product may be sold by a
1178 retail licensee under Section 32B-5-304.

1179 (16) On or after October 1, 2011, a package agency may not sell, offer for sale, or
1180 furnish heavy beer in a sealed container that exceeds two liters.

1181 (17) The department may pay or otherwise remunerate a package agent on any basis,
1182 including sales or volume of business done by the package agency.

1183 (18) The commission may prescribe by policy or rule general operational requirements
1184 of a package agency that are consistent with this title and relate to:

1185 (a) physical facilities;

1186 (b) conditions of operation;

1187 (c) hours of operation;

1188 (d) inventory levels;

1189 (e) payment schedules;

1190 (f) methods of payment;

1191 (g) premises security; and

1192 (h) any other matter considered appropriate by the commission.

1193 Section 10. Section **32B-3-205** is amended to read:

1194 **32B-3-205. Penalties.**

1195 (1) If the commission is satisfied that a person subject to administrative action violates
1196 this title or the commission's rules, in accordance with Title 63G, Chapter 4, Administrative
1197 Procedures Act, the commission may:

1198 (a) suspend or revoke the person's license, permit, or certificate of approval;

1199 (b) subject to Subsection (2), impose a fine against the person, including individual
1200 staff of a licensee, permittee, or certificate holder;

1201 (c) assess the administrative costs of a disciplinary proceeding to the person if the
1202 person is a licensee, permittee, or certificate holder; or

1203 (d) take a combination of actions described in this Subsection (1).

1204 (2) (a) A fine imposed may not exceed \$25,000 in the aggregate for:
1205 (i) a single notice of agency action; or
1206 (ii) a single action against a package agency.
1207 (b) The commission shall by rule establish a schedule setting forth a range of fines for
1208 each violation.

1209 (3) ~~[The]~~ (a) Except as provided in Subsection (3)(b), the commission shall transfer
1210 the costs assessed under this section into the General Fund in accordance with Section
1211 32B-2-301.

1212 (b) Fines assessed under Subsections (11) and (12) shall be deposited as follows:

1213 (i) \$130,000 into the Alcoholic Beverage Control Act Legal Fund created in Section
1214 32B-2-307; and

1215 (ii) the remainder of the money into the Alcoholic Beverage Control Act Enforcement
1216 Fund created in Section 32B-2-305.

1217 (4) (a) If a license or permit is suspended under this section, the licensee or permittee
1218 shall prominently display a sign provided by the department:

1219 (i) during the suspension; and

1220 (ii) at the entrance of the premises of the licensee or permittee.

1221 (b) The sign required by this Subsection (4) shall:

1222 (i) read "The Utah Alcoholic Beverage Control Commission has suspended the
1223 alcoholic product license or permit of this establishment. An alcoholic product may not be
1224 sold, offered for sale, furnished, or consumed on these premises during the period of
1225 suspension."; and

1226 (ii) include the dates of the suspension period.

1227 (c) A licensee or permittee may not remove, alter, obscure, or destroy a sign required to
1228 be displayed under this Subsection (4) during the suspension period.

1229 (5) (a) If a license or permit is revoked, the commission may order the revocation of a
1230 bond posted by the licensee or permittee under this title.

1231 (b) Notwithstanding Subsection (5)(a), the department may make a claim against a
1232 bond posted by a licensee or permittee for money owed the department under this title without
1233 the commission first revoking the license or permit.

1234 (6) A licensee or permittee whose license or permit is revoked may not reapply for a

1235 license or permit under this title for three years from the date on which the license or permit is
1236 revoked.

1237 (7) If a staff member of a licensee, permittee, or certificate holder is found to have
1238 violated this title, in addition to imposing another penalty authorized by this title, the
1239 commission may prohibit the staff member from handling, selling, furnishing, distributing,
1240 manufacturing, wholesaling, or warehousing an alcoholic product in the course of acting as
1241 staff with a licensee, permittee, or certificate holder under this title for a period determined by
1242 the commission.

1243 (8) (a) If the commission makes the finding described in Subsection (8)(b), in addition
1244 to other penalties prescribed by this title, the commission may order:

1245 (i) the removal of an alcoholic product of the manufacturer's, supplier's, or importer's
1246 from the department's sales list; and

1247 (ii) a suspension of the department's purchase of an alcoholic product described in
1248 Subsection (8)(a)(i) for a period determined by the commission.

1249 (b) The commission may take the action described in Subsection (8)(a) if:

1250 (i) a manufacturer, supplier, or importer of liquor or its staff or representative violates
1251 this title; and

1252 (ii) the manufacturer, supplier, or importer:

1253 (A) directly commits the violation; or

1254 (B) solicits, requests, commands, encourages, or intentionally aids another to engage in
1255 the violation.

1256 (9) If the commission makes a finding that the brewer holding a certificate of approval
1257 violates this title or rules of the commission, the commission may take an action against the
1258 brewer holding a certificate of approval that the commission could take against a licensee
1259 including:

1260 (a) suspension or revocation of the certificate of approval; and

1261 (b) imposition of a fine.

1262 (10) Notwithstanding the other provisions of this title, the commission may not order a
1263 disciplinary action or fine in accordance with this section if the disciplinary action or fine is
1264 ordered on the basis of a violation:

1265 (a) of a provision in this title related to intoxication or becoming intoxicated; and

1266 (b) if the violation is first investigated by a law enforcement officer, as defined in
1267 Section 53-13-103, who has not received training regarding the requirements of this title
1268 related to responsible alcoholic product sale or service.

1269 (11) (a) The commission shall impose, at a minimum, the following penalties for a
1270 violation related to service of an alcoholic product to a minor that occurs during an operation
1271 under Title 77, Chapter 39, Sale of Tobacco or Alcohol to Under Age Persons, or similar
1272 operation by a peace officer, as defined by Title 53, Chapter 13, Peace Officer Classifications:

1273 (i) for a first violation:

1274 (A) a mandatory minimum fine of \$1,500; and

1275 (B) mandatory training under Chapter 5, Part 4, Alcohol Training and Education Act,
1276 of anyone who is required to be trained under Chapter 5, Part 4, but who has completed the
1277 training more than 11 months before the day on which the fine described in Subsection

1278 (11)(a)(i)(A) is imposed;

1279 (ii) for a second violation that occurs within 18 months of the day on which the penalty
1280 is imposed for the first violation:

1281 (A) a mandatory minimum suspension of five days, served in successive days,
1282 including a weekend; and

1283 (B) a mandatory minimum fine of \$3,000; and

1284 (iii) for a third violation that occurs within three years of the day on which the penalty
1285 is imposed for the first violation:

1286 (A) a mandatory minimum suspension of 14 days, served in successive days, including
1287 two weekends; and

1288 (B) a mandatory minimum fine of \$10,000.

1289 (b) The commission may not waive the penalties imposed under this Subsection (11).

1290 (12) (a) For a violation of Section 32B-1-407 or admitting a minor to a place where an
1291 alcoholic product is sold or consumed, but where under this title a minor is not permitted, that
1292 occurs during an operation under Title 77, Chapter 39, Sale of Tobacco or Alcohol to Under
1293 Age Persons, or similar operation by a peace officer, as defined by Title 53, Chapter 13, Peace
1294 Officer Classifications, the commission shall impose, at a minimum, a suspension of five days
1295 or a fine of \$1,000.

1296 (b) The commission may not waive the penalties imposed under this Subsection (12).

1297 Section 11. Section **32B-5-205** is amended to read:

1298 **32B-5-205. Conditional retail license.**

1299 (1) As used in this section:

1300 (a) "Conditional retail license" means a retail license that:

1301 [~~(i) is for one of the following:~~]

1302 [~~(A) a full-service restaurant license; or~~]

1303 [~~(B) a limited-service restaurant license;~~]

1304 [~~(i)~~] (i) conditions the holder's ability to sell, offer for sale, furnish, or allow the

1305 consumption of an alcoholic product on its licensed premises on the person submitting to the

1306 department a copy of the holder's current business license before obtaining a valid retail

1307 license; and

1308 [~~(iii)~~] (ii) provides that the holder will be issued a valid retail license if the holder

1309 complies with the requirements of Subsection (3).

1310 (b) "Valid retail license" means a retail license issued pursuant to this part under which

1311 the holder is permitted to sell, offer for sale, furnish, or allow the consumption of an alcoholic

1312 product on its licensed premises.

1313 (2) Subject to the requirements of this section, the commission may issue a conditional

1314 retail license to a person if the person:

1315 (a) meets the requirements to obtain the retail license for which the person is applying
1316 except the requirement to submit a copy of the person's current business license; and

1317 (b) agrees not to sell, offer for sale, furnish, or allow the consumption of an alcoholic
1318 product on its licensed premises before obtaining a valid retail license.

1319 (3) (a) A conditional retail license becomes a valid retail license on the day on which
1320 the department notifies the person who holds the conditional retail license that the department
1321 finds that the person has complied with Subsection (3)(b).

1322 (b) For a conditional retail license to become a valid retail license, a person who holds
1323 the conditional retail license shall:

1324 (i) submit to the department a copy of the person's current business license; and

1325 (ii) provide to the department evidence satisfactory to the department that:

1326 (A) there has been no change in the information submitted to the commission as part of
1327 the person's application for a retail license; and

1328 (B) the person continues to qualify for the retail license.

1329 (4) (a) A conditional retail license expires six months after the day on which the
1330 commission issues the conditional retail license, unless the conditional retail license becomes a
1331 valid retail license before that day.

1332 (b) Notwithstanding Subsection (4)(a), the commission may extend the time period of a
1333 conditional retail license an additional three months if the holder of the conditional license can
1334 show to the satisfaction of the commission that the holder of the conditional license:

1335 (i) has an active building permit related to the licensed premises; and

1336 (ii) is engaged in a good faith effort to pursue completion within the three-month
1337 period.

1338 Section 12. Section **32B-5-207** is enacted to read:

1339 **32B-5-207. Multiple retail licenses at same building.**

1340 (1) (a) The commission may not issue to one or more retail licensees more than one
1341 type of retail license for the same building unless the commission determines that:

1342 (i) the licensed premises for each retail license is in a separate room within the
1343 building; and

1344 (ii) the requirements for each retail license are met.

1345 (b) The commission may define "separate room" by rule made in accordance with Title
1346 63G, Chapter 3, Utah Administrative Rulemaking Act.

1347 (2) Notwithstanding Subsection (1), the commission may issue more than one type of
1348 retail license for the same room if:

1349 (a) each retail license operates at a different day or time;

1350 (b) the requirements for each retail license are met; and

1351 (c) the types of retail licenses issued are:

1352 (i) (A) on-premise beer retailer license associated with a ski resort;

1353 (B) a full-service restaurant license, a limited-service restaurant license, or a beer-only
1354 restaurant license; and

1355 (C) an on-premise banquet catering license; or

1356 (ii) (A) a full-service restaurant license, a limited-service restaurant license, or a
1357 beer-only restaurant license; and

1358 (B) an on-premise banquet license.

1359 (3) (a) If on May 14, 2013, a building has more than one type of retail license within
1360 the building in a manner that violates Subsection (1) or (2), the one or more retail licensees
1361 may operate under the different types of retail licenses until January 1, 2015.

1362 (b) The commission shall establish by rule, made in accordance with Title 63G,
1363 Chapter 3, Utah Administrative Rulemaking Act, the process to be followed to determine
1364 which retail license described in Subsection (2) may continue to operate within the building on
1365 and after January 1, 2015.

1366 Section 13. Section **32B-5-301** is amended to read:

1367 **32B-5-301. General operational requirements.**

1368 (1) (a) A retail licensee and staff of a retail licensee shall comply with this title and the
1369 rules of the commission, including the relevant part under Chapter 6, Specific Retail License
1370 Act, for the specific type of retail license.

1371 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1372 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1373 (i) a retail licensee;

1374 (ii) individual staff of a retail licensee; or

1375 (iii) both a retail licensee and staff of the retail licensee.

1376 (2) (a) If there is a conflict between this part and the relevant part under Chapter 6,
1377 Specific Retail License Act, for the specific type of retail license, the relevant part under
1378 Chapter 6 governs.

1379 (b) Notwithstanding that this part refers to "liquor" or an "alcoholic product," a retail
1380 licensee may only sell, offer for sale, furnish, or allow the consumption of an alcoholic product
1381 specifically authorized by the relevant part under Chapter 6, Specific Retail License Act.

1382 (c) Notwithstanding that this part or the relevant part under Chapter 6, Specific Retail
1383 License Act, refers to "retail licensee," staff of the retail licensee is subject to the same
1384 requirement or prohibition.

1385 (3) (a) A retail licensee shall display in a prominent place in the licensed premises the
1386 retail license that is issued by the department.

1387 (b) A retail licensee shall display in a prominent place a sign in large letters that
1388 consists of text in the following order:

1389 (i) a header that reads: "WARNING";

1390 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
1391 can cause birth defects and permanent brain damage for the child.";

1392 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
1393 [insert most current toll-free number] with questions or for more information.";

1394 (iv) a header that reads: "WARNING"; and

1395 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
1396 serious crime that is prosecuted aggressively in Utah."

1397 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
1398 font style than the text described in Subsections (3)(b)(iv) and (v).

1399 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
1400 same font size.

1401 (d) The Department of Health shall work with the commission and department to
1402 facilitate consistency in the format of a sign required under this section.

1403 (4) A retail licensee may not on the licensed premises:

1404 (a) engage in or permit any form of gambling, as defined and proscribed in Title 76,
1405 Chapter 10, Part 11, Gambling;

1406 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
1407 Part 11, Gambling; or

1408 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
1409 the risking of something of value for a return or for an outcome when the return or outcome is
1410 based upon an element of chance, excluding the playing of an amusement device that confers
1411 only an immediate and unrecorded right of replay not exchangeable for value.

1412 (5) A retail licensee may not knowingly allow a person on the licensed premises to, in
1413 violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug
1414 Paraphernalia Act:

1415 (a) sell, distribute, possess, or use a controlled substance, as defined in Section
1416 58-37-2; or

1417 (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in
1418 Section 58-37a-3.

1419 (6) Upon the presentation of credentials, at any time during which a retail licensee is
1420 open for the transaction of business, the retail licensee shall immediately:

1421 (a) admit a commissioner, authorized department employee, or law enforcement officer
1422 to the retail licensee's premises; and

1423 (b) permit, without hindrance or delay, the person described in Subsection (6)(a) to
1424 inspect completely:

1425 (i) the entire premises of the retail licensee; and

1426 (ii) the records of the retail licensee.

1427 (7) An individual may not consume an alcoholic product on the licensed premises of a
1428 retail licensee on any day during the period:

1429 (a) beginning one hour after the time of day that the period during which a retail
1430 licensee may not sell, offer for sale, or furnish an alcoholic product on the licensed premises
1431 begins; and

1432 (b) ending at the time specified in the relevant part under Chapter 6, Specific Retail
1433 License Act, for the type of retail license when the retail licensee may first sell, offer for sale,
1434 or furnish an alcoholic product on the licensed premises on that day.

1435 (8) (a) The time period a retail licensee may sell, offer for sale, or furnish an alcoholic
1436 product is specified in the relevant part under Chapter 6, Specific Retail License Act, for the
1437 type of retail license.

1438 (b) Notwithstanding Subsection (8)(a), a local authority may impose more restrictive
1439 hours during which a retail licensee may sell, offer for sale, or furnish an alcoholic product.

1440 Section 14. Section **32B-5-304** is amended to read:

1441 **32B-5-304. Portions in which alcoholic product may be sold.**

1442 (1) (a) A retail licensee may sell, offer for sale, or furnish a primary spirituous liquor
1443 only in a quantity that does not exceed 1.5 ounces per beverage dispensed through a calibrated
1444 metered dispensing system approved by the department in accordance with commission rules
1445 adopted under this title, except that:

1446 [~~(a)~~] (i) spirituous liquor need not be dispensed through a calibrated metered
1447 dispensing system if used as a secondary flavoring ingredient in a beverage subject to the
1448 following requirements:

1449 [~~(i)~~] (A) the secondary ingredient may be dispensed only in conjunction with the
1450 purchase of a primary spirituous liquor;

1451 [~~(i)~~] (B) the secondary ingredient may not be the only spirituous liquor in the

1452 beverage;

1453 ~~[(iii)]~~ (C) the retail licensee shall designate a location where flavorings are stored on
1454 the floor plan submitted to the department; and

1455 ~~[(iv)]~~ (D) a flavoring container shall be plainly and conspicuously labeled "flavorings";

1456 ~~[(b)]~~ (ii) spirituous liquor need not be dispensed through a calibrated metered
1457 dispensing system if used:

1458 ~~[(i)]~~ (A) as a flavoring on a dessert; and

1459 ~~[(ii)]~~ (B) in the preparation of a flaming food dish, drink, or dessert; and

1460 ~~[(c)]~~ (iii) a patron may have no more than 2.5 ounces of spirituous liquor at a time.

1461 (b) A retail licensee may sell, offer for sale, or furnish an individual portion of
1462 spirituous liquor to a patron in more than one container if:

1463 (i) the total amount of spirituous liquor in all of the containers does not exceed 1.5
1464 ounces;

1465 (ii) the retail licensee holds a manufacturing license;

1466 (iii) the portion is provided in separate containers for educational purposes;

1467 (iv) no more than six containers are provided at the same time; and

1468 (v) a patron is offered only one set of containers per day by the retail licensee.

1469 (2) (a) (i) A retail licensee may sell, offer for sale, or furnish wine by the glass or in an
1470 individual portion that does not exceed 5 ounces per glass or individual portion.

1471 (ii) A retail licensee may sell, offer for sale, or furnish an individual portion of wine to
1472 a patron in more than one ~~[glass]~~ container if the total amount of wine does not exceed 5
1473 ounces.

1474 (b) (i) A retail licensee may sell, offer for sale, or furnish wine in a container not
1475 exceeding 1.5 liters at a price fixed by the commission to a table of four or more persons.

1476 (ii) A retail licensee may sell, offer for sale, or furnish wine in a container not to
1477 exceed 750 milliliters at a price fixed by the commission to a table of less than four persons.

1478 (3) (a) A retail licensee may sell, offer for sale, or furnish heavy beer in an original
1479 container at a price fixed by the commission, except that the original container may not exceed
1480 one liter.

1481 (b) A retail licensee may sell, offer for sale, or furnish an individual portion of heavy
1482 beer to a patron in more than one container if:

1483 (i) the total amount of heavy beer in all of the containers does not exceed 12 ounces;

1484 (ii) the retail licensee holds a manufacturing license;

1485 (iii) the portion is provided in separate containers for educational purposes;

1486 (iv) no more than six containers are provided at the same time; and

1487 (v) a patron is offered only one set of containers per day by the retail licensee.

1488 (4) A retail licensee may sell, offer for sale, or furnish a flavored malt beverage in an
1489 original container at a price fixed by the commission, except that the original container may not
1490 exceed one liter.

1491 (5) (a) Subject to Subsection (5)(b), a retail licensee may sell, offer for sale, or furnish
1492 beer for on-premise consumption:

1493 (i) in an open original container; and

1494 (ii) in a container on draft.

1495 (b) A retail licensee may not sell, offer for sale, or furnish beer under Subsection (5)(a):

1496 (i) in a size of container that exceeds two liters; or

1497 (ii) to an individual patron in a size of container that exceeds one liter.

1498 (c) A retail licensee may sell, offer for sale, or furnish an individual portion of beer to a
1499 patron in more than one container if:

1500 (i) the total amount of beer in all of the containers does not exceed 12 ounces;

1501 (ii) the retail licensee holds a manufacturing license;

1502 (iii) the portions are provided in separate containers for educational purposes;

1503 (iv) no more than six containers are provided at the same time; and

1504 (v) a patron is offered only one set of containers per day by the retail licensee.

1505 Section 15. Section **32B-5-309 (Superseded 07/01/13)** is amended to read:

1506 **32B-5-309 (Superseded 07/01/13). Ceasing operation -- Prohibiting transfer of**
1507 **license.**

1508 (1) (a) Except as provided in Subsection (1)(h), a retail licensee may not close or cease
1509 operation for a period longer than 240 hours, unless:

1510 (i) the retail licensee notifies the department in writing at least seven days before the
1511 day on which the retail licensee closes or ceases operation; and

1512 (ii) the closure or cessation of operation is first approved by the department.

1513 (b) Notwithstanding Subsection (1)(a), in the case of emergency closure, a retail

1514 licensee shall immediately notify the department by telephone.

1515 (c) (i) The department may authorize a closure or cessation of operation of a retail
1516 licensee for a period not to exceed 60 days.

1517 (ii) The department may extend the initial period an additional 30 days upon:

1518 (A) written request of the retail licensee; and

1519 (B) a showing of good cause.

1520 (d) A closure or cessation of operation may not exceed a total of 90 days without
1521 commission approval.

1522 (e) A notice required under this Subsection (1) shall include:

1523 (i) the dates of closure or cessation of operation;

1524 (ii) the reason for the closure or cessation of operation; and

1525 (iii) the date on which the retail licensee will reopen or resume operation.

1526 (f) Failure of a retail licensee to provide notice and to obtain department approval
1527 before closure or cessation of operation results in an automatic forfeiture of:

1528 (i) the retail license; and

1529 (ii) the unused portion of the retail license fee for the remainder of the retail license
1530 year effective immediately.

1531 (g) Failure of a retail licensee to reopen or resume operation by the approved date
1532 results in an automatic forfeiture of:

1533 (i) the retail license; and

1534 (ii) the unused portion of the retail license fee for the remainder of the retail license
1535 year.

1536 (h) This Subsection (1) does not apply to:

1537 (i) an on-premise beer retailer who is not a tavern; or

1538 (ii) an airport lounge licensee.

1539 (2) A retail licensee may not transfer a retail license from one location to another
1540 location, without prior written approval of the commission. A retail licensee shall pay an

1541 application fee of \$300 to apply for the written approval of the commission under this
1542 Subsection (2).

1543 (3) (a) A person, having been issued a retail license may not sell, transfer, assign,
1544 exchange, barter, give, or attempt in any way to dispose of the retail license to another person

1545 whether for monetary gain or not.

1546 (b) A retail license has no monetary value for any type of disposition.

1547 Section 16. Section **32B-5-311** is enacted to read:

1548 **32B-5-311. Private events at retail licensee premises after hours.**

1549 Subject to Sections 32B-5-309 and 32B-6-505, a retail licensee may temporarily rent or
1550 otherwise temporarily lease its premises to a person after the hours the retail licensee may sell,
1551 offer for sale, or furnish an alcoholic product if:

1552 (1) the person who temporarily rents or leases the licensed premises obtains an event
1553 permit under Chapter 9, Event Permit Act, for the time period that the retail licensee rents or
1554 otherwise leases its licensed premises;

1555 (2) the event for which the licensed premises are leased is not open to the public;

1556 (3) the person to whom the retail licensee rents or leases the premises agrees in writing
1557 to comply with this title as if the person is the retail licensee, except for:

1558 (a) a requirement related to making or maintaining a record; and

1559 (b) the hours during which an alcoholic product may be sold, offered for sale, or
1560 furnished; and

1561 (4) the retail licensee takes reasonable steps to ensure that the person complies with
1562 this section.

1563 Section 17. Section **32B-6-203** is amended to read:

1564 **32B-6-203. Commission's power to issue full-service restaurant license.**

1565 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
1566 an alcoholic product on its premises as a full-service restaurant, the person shall first obtain a
1567 full-service restaurant license from the commission in accordance with this part.

1568 (2) The commission may issue a full-service restaurant license to establish full-service
1569 restaurant licensed premises at places and in numbers the commission considers proper for the
1570 storage, sale, offer for sale, furnishing, and consumption of an alcoholic product on premises
1571 operated as a full-service restaurant.

1572 (3) Subject to Section 32B-1-201:

1573 (a) The commission may not issue a total number of full-service restaurant licenses that
1574 at any time exceeds the number determined by dividing the population of the state by 4,534.

1575 (b) The commission may issue a seasonal full-service restaurant license in accordance

1576 with Section 32B-5-206.

1577 (c) (i) If the location, design, and construction of a hotel may require more than one
1578 full-service restaurant sales location within the hotel to serve the public convenience, the
1579 commission may authorize the sale, offer for sale, or furnishing of an alcoholic product at as
1580 many as three full-service restaurant locations within the hotel under one full-service restaurant
1581 license if:

1582 (A) the hotel has a minimum of 150 guest rooms; and

1583 (B) the locations under the full-service restaurant license are:

1584 (I) within the same hotel; and

1585 (II) on premises that are managed or operated, and owned or leased, by the full-service
1586 restaurant licensee.

1587 (ii) A facility other than a hotel shall have a separate full-service restaurant license for
1588 each full-service restaurant where an alcoholic product is sold, offered for sale, or furnished.

1589 (d) The commission may not issue a single full-service restaurant license to a
1590 full-service restaurant that would have licensed premises in more than one building unless
1591 there is continuity in the premises between the multiple buildings after considering one or more
1592 of the following:

1593 (i) whether a patron would go through an unlicensed area to move from one part of the
1594 licensed premises to a different part of the licensed premises;

1595 (ii) whether the buildings share common food preparation facilities;

1596 (iii) whether there is a common entrance to the licensed premises with multiple
1597 buildings; and

1598 (iv) any other factor the commission considers relevant.

1599 (4) (a) Except as provided in Subsection (4)(b), the commission may not issue a
1600 full-service restaurant license for premises that do not meet the proximity requirements of
1601 Section 32B-1-202.

1602 (b) With respect to the premises of a full-service restaurant license issued by the
1603 commission that undergoes a change of ownership, the commission shall waive or vary the
1604 proximity requirements of Subsection 32B-1-202(2) in considering whether to issue a
1605 full-service restaurant license to the new owner of the premises if:

1606 (i) when a full-service restaurant license was issued to a previous owner, the premises

1607 met the proximity requirements of Subsection 32B-1-202(2);

1608 (ii) the premises has had a full-service restaurant license at all times since the
1609 full-service restaurant license described in Subsection (4)(b)(i) was issued without a variance;
1610 and

1611 (iii) the community location was located within the proximity requirements of
1612 Subsection 32B-1-202(2) after the day on which the full-service restaurant license described in
1613 Subsection (4)(b)(i) was issued.

1614 Section 18. Section **32B-6-205** is amended to read:

1615 **32B-6-205. Specific operational requirements for a full-service restaurant license.**

1616 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1617 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
1618 shall comply with this section.

1619 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1620 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1621 (i) a full-service restaurant licensee;

1622 (ii) individual staff of a full-service restaurant licensee; or

1623 (iii) both a full-service restaurant licensee and staff of the full-service restaurant
1624 licensee.

1625 (2) In addition to complying with Subsection 32B-5-301(3), a full-service restaurant
1626 licensee shall display in a prominent place in the restaurant a list of the types and brand names
1627 of liquor being furnished through the full-service restaurant licensee's calibrated metered
1628 dispensing system.

1629 (3) In addition to complying with Section 32B-5-303, a full-service restaurant licensee
1630 shall store an alcoholic product in a storage area described in Subsection (12)(a).

1631 (4) (a) An individual who serves an alcoholic product in a full-service restaurant
1632 licensee's premises shall make a written beverage tab for each table or group that orders or
1633 consumes an alcoholic product on the premises.

1634 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an
1635 alcoholic product ordered or consumed.

1636 (5) A person's willingness to serve an alcoholic product may not be made a condition
1637 of employment as a server with a full-service restaurant licensee.

1638 (6) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish liquor at
1639 the licensed premises on any day during the period that:

1640 (i) begins at midnight; and

1641 (ii) ends at 11:29 a.m.

1642 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer during the
1643 hours specified in Part 7, On-premise Beer Retailer License, for an on-premise beer retailer,
1644 except that a full-service restaurant licensee may not sell, offer for sale, or furnish beer before
1645 11:30 a.m. on any day.

1646 (7) A full-service restaurant licensee shall maintain at least 70% of its total restaurant
1647 business from the sale of food, which does not include:

1648 (a) mix for an alcoholic product; or

1649 (b) a service charge.

1650 (8) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an
1651 alcoholic product except in connection with an order for food prepared, sold, and furnished at
1652 the licensed premises.

1653 (b) A full-service restaurant licensee shall maintain on the licensed premises adequate
1654 culinary facilities for food preparation and dining accommodations.

1655 (9) (a) Subject to the other provisions of this Subsection (9), a patron may not have
1656 more than two alcoholic products of any kind at a time before the patron.

1657 (b) A patron may not have more than one spirituous liquor drink at a time before the
1658 patron.

1659 (c) An individual portion of wine is considered to be one alcoholic product under
1660 Subsection (9)(a).

1661 (10) A patron may consume an alcoholic product only:

1662 (a) at:

1663 (i) the patron's table;

1664 (ii) a counter; or

1665 (iii) a seating grandfathered bar structure; and

1666 (b) where food is served.

1667 (11) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an
1668 alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar

1669 structure that is not a seating grandfathered bar structure.

1670 (b) At a seating grandfathered bar structure a patron who is 21 years of age or older

1671 may:

1672 (i) sit;

1673 (ii) be furnished an alcoholic product; and

1674 (iii) consume an alcoholic product.

1675 (c) Except as provided in Subsection (11)(d), at a seating grandfathered bar structure a
1676 full-service restaurant licensee may not permit a minor to, and a minor may not:

1677 (i) sit; or

1678 (ii) consume food or beverages.

1679 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is employed
1680 by a full-service restaurant licensee:

1681 (A) as provided in Subsection 32B-5-308(2); or

1682 (B) to perform maintenance and cleaning services during an hour when the full-service
1683 restaurant licensee is not open for business.

1684 (ii) A minor may momentarily pass by a seating grandfathered bar structure without
1685 remaining or sitting at the bar structure en route to an area of a full-service restaurant licensee's
1686 premises in which the minor is permitted to be.

1687 (12) Except as provided in Subsection 32B-5-307(3), a full-service restaurant licensee
1688 may dispense an alcoholic product only if:

1689 (a) the alcoholic product is dispensed from:

1690 (i) a grandfathered bar structure;

1691 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
1692 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
1693 12, 2009; or

1694 (iii) an area that is:

1695 (A) separated from an area for the consumption of food by a patron by a solid,
1696 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
1697 an alcoholic product are:

1698 (I) not readily visible to a patron; and

1699 (II) not accessible by a patron; and

1700 (B) apart from an area used:

1701 (I) for dining;

1702 (II) for staging; or

1703 (III) as a lobby or waiting area;

1704 (b) the full-service restaurant licensee uses an alcoholic product that is:

1705 (i) stored in an area described in Subsection (12)(a); or

1706 (ii) in an area not described in Subsection (12)(a) on the licensed premises and:

1707 (A) immediately before the alcoholic product is dispensed it is in an unopened

1708 container;

1709 (B) the unopened container is taken to an area described in Subsection (12)(a) before it

1710 is opened; and

1711 (C) once opened, the container is stored in an area described in Subsection (12)(a); and

1712 (c) any instrument or equipment used to dispense alcoholic product is located in an

1713 area described in Subsection (12)(a).

1714 (13) A full-service restaurant licensee may state in a food or alcoholic product menu a

1715 charge or fee made in connection with the sale, service, or consumption of liquor including:

1716 (a) a set-up charge;

1717 (b) a service charge; or

1718 (c) a chilling fee.

1719 (14) Except as provided in Subsection 32B-5-307(3)(d) and notwithstanding

1720 Subsection 32B-6-706(4), a full-service restaurant licensee may not allow a patron to remove a

1721 container containing an alcoholic product from the licensed premises of the full-service

1722 restaurant unless the full-service restaurant licensee ~~is~~ **holds** enters into ~~a~~ a package agency

1722a ~~contract~~ **contract** under which the

1723 full-service restaurant licensee may sell, offer for sale, or furnish sealed containers of an

1724 alcoholic product ~~is~~ **other than beer, and obtains permission from the local authority to sell,**

1724a **offer for sale, or furnish sealed containers of beer for off-premise consumption** ~~is~~ .

1725 (15) Subject to Section 32B-5-309, a full-service restaurant licensee may not

1726 temporarily rent or otherwise temporarily lease its premises to a person unless:

1727 (a) the person to whom the full-service restaurant licensee rents or leases the premises

1728 agrees in writing to comply with this title as if the person is the full-service restaurant licensee,

1729 except for a requirement related to making or maintaining a record; and

1730 (b) the full-service restaurant licensee takes reasonable steps to ensure that the person

1731 complies with this title as provided in Subsection (15)(a).

1732 Section 19. Section **32B-6-206** is enacted to read:

1733 **32B-6-206. Master full-service restaurant license.**

1734 (1) (a) The commission may issue a master full-service restaurant license that
1735 authorizes a person to store, sell, offer for sale, furnish, or allow the consumption of an
1736 alcoholic product on premises at multiple locations as full-service restaurants if the person
1737 applying for the master full-service restaurant license:

1738 (i) owns each of the full-service restaurants;

1739 (ii) except for the fee requirements, establishes to the satisfaction of the commission
1740 that each location of a full-service restaurant under the master full-service restaurant license
1741 separately meets the requirements of this part; and

1742 (iii) the master full-service restaurant license includes at least five full-service
1743 restaurant locations.

1744 (b) The person seeking a master full-service restaurant license shall designate which
1745 full-service restaurant locations the person seeks to have under the master full-service
1746 restaurant license.

1747 (c) A full-service restaurant location under a master full-service restaurant license is
1748 considered separately licensed for purposes of this title, except as provided in this section.

1749 (2) A master full-service restaurant license and each location designated under
1750 Subsection (1) are considered a single full-service restaurant license for purposes of Subsection
1751 32B-6-203(3)(a).

1752 (3) (a) A master full-service restaurant license expires on October 31 of each year.

1753 (b) To renew a person's full-service restaurant license, a person shall comply with the
1754 renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than
1755 September 30.

1756 (4) (a) The nonrefundable application fee for a master full-service restaurant license is
1757 \$330.

1758 (b) The initial license fee for a master full-service restaurant license is \$10,000 plus a
1759 separate initial license fee for each newly licensed full-service restaurant license under the
1760 master full-service restaurant license determined in accordance with Subsection
1761 32B-6-204(3)(b).

1762 (c) The renewal fee for a master full-service restaurant license is \$1,000 plus a separate
1763 renewal fee for each full-service license under the master full-service restaurant license
1764 determined in accordance with Subsection 32B-6-204(3)(c).

1765 (5) A new location may be added to a master full-service restaurant license after the
1766 master full-service restaurant license is issued if:

1767 (a) the master full-service restaurant licensee pays a nonrefundable application fee of
1768 \$330; and

1769 (b) including payment of the initial license fee, the location separately meets the
1770 requirements of this part.

1771 (6) (a) A master full-service restaurant licensee shall notify the department of a change
1772 in the persons managing a location covered by a master full-service restaurant license:

1773 (i) immediately, if the management personnel is not management personnel at a
1774 location covered by the master full-service restaurant licensee at the time of the change; or

1775 (ii) within 30 days of the change, if the master full-service restaurant licensee is
1776 transferring management personnel from one location to another location covered by the master
1777 full-service restaurant licensee.

1778 (b) A location covered by a master full-service restaurant license shall keep its own
1779 records on its premises so that the department may audit the records.

1780 (c) A master full-service restaurant licensee may not transfer alcoholic products
1781 between different locations covered by the master full-service restaurant license.

1782 (7) (a) If there is a violation of this title at a location covered by a master full-service
1783 restaurant license, the violation may result in disciplinary action in accordance with Chapter 3,
1784 Disciplinary Actions and Enforcement Act, against:

1785 (i) the single location under a master full-service restaurant license;

1786 (ii) individual staff of the location under the master full-service restaurant license; or

1787 (iii) a combination of persons or locations described in Subsections (7)(a)(i) and (ii).

1788 (b) In addition to disciplinary action under Subsection (7)(a), disciplinary action in
1789 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, may be taken against a
1790 master full-service restaurant licensee or individual staff of the master full-service restaurant
1791 licensee if during a period beginning on November 1 and ending October 31:

1792 (i) at least 25% of the locations covered by the master full-service restaurant license

1793 have been found by the commission to have committed a serious or grave violation of this title,
1794 as defined by rule made by the commission; or

1795 (ii) at least 50% of the locations covered by the master full-service restaurant license
1796 have been found by the commission to have violated this title.

1797 (8) The commission may make rules, in accordance with Title 63G, Chapter 3, Utah
1798 Administrative Rulemaking Act, to establish how a person may apply for a master full-service
1799 restaurant license under this section.

1800 Section 20. Section **32B-6-303** is amended to read:

1801 **32B-6-303. Commission's power to issue limited-service restaurant license.**

1802 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
1803 wine, heavy beer, or beer on its premises as a limited-service restaurant, the person shall first
1804 obtain a limited-service restaurant license from the commission in accordance with this part.

1805 (2) (a) The commission may issue a limited-service restaurant license to establish
1806 limited-service restaurant licensed premises at places and in numbers the commission considers
1807 proper for the storage, sale, offer for sale, furnishing, and consumption of wine, heavy beer, or
1808 beer on premises operated as a limited-service restaurant.

1809 (b) A person may not sell, offer for sale, furnish, or allow the consumption of the
1810 following on the licensed premises of a limited-service restaurant licensee:

1811 (i) spirituous liquor; or

1812 (ii) a flavored malt beverage.

1813 (3) Subject to Section 32B-1-201:

1814 (a) The commission may not issue a total number of limited-service restaurant licenses
1815 that at any time exceeds the number determined by dividing the population of the state by
1816 7,493.

1817 (b) The commission may issue a seasonal limited-service restaurant license in
1818 accordance with Section 32B-5-206.

1819 (c) (i) If the location, design, and construction of a hotel may require more than one
1820 limited-service restaurant sales location within the hotel to serve the public convenience, the
1821 commission may authorize the sale of wine, heavy beer, and beer at as many as three
1822 limited-service restaurant locations within the hotel under one limited-service restaurant license
1823 if:

1824 (A) the hotel has a minimum of 150 guest rooms; and

1825 (B) the locations under the limited-service restaurant license are:

1826 (I) within the same hotel; and

1827 (II) on premises that are managed or operated, and owned or leased, by the

1828 limited-service restaurant licensee.

1829 (ii) A facility other than a hotel shall have a separate limited-service restaurant license
1830 for each limited-service restaurant where wine, heavy beer, or beer is sold, offered for sale, or
1831 furnished.

1832 (d) The commission may not issue a single limited-service restaurant license to a
1833 limited-service restaurant that would have licensed premises in more than one building unless
1834 there is continuity in the premises between the multiple buildings after considering one or more
1835 of the following:

1836 (i) whether a patron would go through an unlicensed area to move from one part of the
1837 licensed premises to a different part of the licensed premises;

1838 (ii) whether the buildings share common food preparation facilities;

1839 (iii) whether there is a common entrance to the licensed premises with multiple
1840 buildings; and

1841 (iv) any other factor the commission considers relevant.

1842 (4) (a) Except as provided in Subsection (4)(b), the commission may not issue a
1843 limited-service restaurant license for premises that do not meet the proximity requirements of
1844 Section 32B-1-202.

1845 (b) With respect to the premises of a limited-service restaurant license issued by the
1846 commission that undergoes a change of ownership, the commission shall waive or vary the
1847 proximity requirements of Subsection 32B-1-202(2) in considering whether to issue a
1848 limited-service restaurant license to the new owner of the premises if:

1849 (i) when a limited-service restaurant license was issued to a previous owner, the
1850 premises met the proximity requirements of Subsection 32B-1-202(2);

1851 (ii) the premises has had a limited-service restaurant license at all times since the
1852 limited-service restaurant license described in Subsection (4)(b)(i) was issued without a
1853 variance; and

1854 (iii) the community location was located within the proximity requirements of

1855 Subsection 32B-1-202(2) after the day on which the limited-service restaurant license
1856 described in Subsection (4)(b)(i) was issued.

1857 Section 21. Section **32B-6-305** is amended to read:

1858 **32B-6-305. Specific operational requirements for a limited-service restaurant**
1859 **license.**

1860 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1861 Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
1862 licensee shall comply with this section.

1863 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1864 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1865 (i) a limited-service restaurant licensee;

1866 (ii) individual staff of a limited-service restaurant licensee; or

1867 (iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
1868 licensee.

1869 (2) (a) A limited-service restaurant licensee on the licensed premises may not sell, offer
1870 for sale, furnish, or allow consumption of:

1871 (i) spirituous liquor; or

1872 (ii) a flavored malt beverage.

1873 (b) A product listed in Subsection (2)(a) may not be on the premises of a
1874 limited-service restaurant licensee except for use:

1875 (i) as a flavoring on a dessert; and

1876 (ii) in the preparation of a flaming food dish, drink, or dessert.

1877 (3) In addition to complying with Section 32B-5-303, a limited-service restaurant
1878 licensee shall store an alcoholic product in a storage area described in Subsection (12)(a).

1879 (4) (a) An individual who serves an alcoholic product in a limited-service restaurant
1880 licensee's premises shall make a written beverage tab for each table or group that orders or
1881 consumes an alcoholic product on the premises.

1882 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an
1883 alcoholic product ordered or consumed.

1884 (5) A person's willingness to serve an alcoholic product may not be made a condition
1885 of employment as a server with a limited-service restaurant licensee.

1886 (6) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish wine
1887 or heavy beer at the licensed premises on any day during the period that:

1888 (i) begins at midnight; and

1889 (ii) ends at 11:29 a.m.

1890 (b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer during
1891 the hours specified in Part 7, On-premise Beer Retailer License, for an on-premise beer retailer,
1892 except that a limited-service restaurant licensee may not sell, offer for sale, or furnish beer
1893 before 11:30 a.m. on any day.

1894 (7) A limited-service restaurant licensee shall maintain at least 70% of its total
1895 restaurant business from the sale of food, which does not include a service charge.

1896 (8) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish an
1897 alcoholic product except in connection with an order for food prepared, sold, and furnished at
1898 the licensed premises.

1899 (b) A limited-service restaurant licensee shall maintain on the licensed premises
1900 adequate culinary facilities for food preparation and dining accommodations.

1901 (9) (a) Subject to the other provisions of this Subsection (9), a patron may not have
1902 more than two alcoholic products of any kind at a time before the patron.

1903 (b) An individual portion of wine is considered to be one alcoholic product under
1904 Subsection (9)(a).

1905 (10) A patron may consume an alcoholic product only:

1906 (a) at:

1907 (i) the patron's table;

1908 (ii) a counter; or

1909 (iii) a seating grandfathered bar structure; and

1910 (b) where food is served.

1911 (11) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish an
1912 alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar
1913 structure that is not a seating grandfathered bar structure.

1914 (b) At a seating grandfathered bar structure a patron who is 21 years of age or older
1915 may:

1916 (i) sit;

- 1917 (ii) be furnished an alcoholic product; and
1918 (iii) consume an alcoholic product.
- 1919 (c) Except as provided in Subsection (11)(d), at a seating grandfathered bar structure a
1920 limited-service restaurant licensee may not permit a minor to, and a minor may not:
- 1921 (i) sit; or
1922 (ii) consume food or beverages.
- 1923 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is employed
1924 by a limited-service restaurant licensee:
- 1925 (A) as provided in Subsection 32B-5-308(2); or
1926 (B) to perform maintenance and cleaning services during an hour when the
1927 limited-service restaurant licensee is not open for business.
- 1928 (ii) A minor may momentarily pass by a seating grandfathered bar structure without
1929 remaining or sitting at the bar structure en route to an area of a limited-service restaurant
1930 licensee's premises in which the minor is permitted to be.
- 1931 (12) Except as provided in Subsection 32B-5-307(3), a limited-service restaurant
1932 licensee may dispense an alcoholic product only if:
- 1933 (a) the alcoholic product is dispensed from:
- 1934 (i) a grandfathered bar structure;
1935 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
1936 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
1937 12, 2009; or
- 1938 (iii) an area that is:
- 1939 (A) separated from an area for the consumption of food by a patron by a solid,
1940 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
1941 an alcoholic product are:
- 1942 (I) not readily visible to a patron; and
1943 (II) not accessible by a patron; and
1944 (B) apart from an area used:
- 1945 (I) for dining;
1946 (II) for staging; or
1947 (III) as a lobby or waiting area;

1948 (b) the limited-service restaurant licensee uses an alcoholic product that is:
 1949 (i) stored in an area described in Subsection (12)(a); or
 1950 (ii) in an area not described in Subsection (12)(a) on the licensed premises and:
 1951 (A) immediately before the alcoholic product is dispensed it is in an unopened
 1952 container;
 1953 (B) the unopened container is taken to an area described in Subsection (12)(a) before it
 1954 is opened; and
 1955 (C) once opened, the container is stored in an area described in Subsection (12)(a); and
 1956 (c) any instrument or equipment used to dispense alcoholic product is located in an
 1957 area described in Subsection (12)(a).

1958 (13) A limited-service restaurant licensee may state in a food or alcoholic product
 1959 menu a charge or fee made in connection with the sale, service, or consumption of wine or
 1960 heavy beer including:

- 1961 (a) a set-up charge;
- 1962 (b) a service charge; or
- 1963 (c) a chilling fee.

1964 (14) Except as provided in Subsection 32B-5-307(3)(d) and notwithstanding
 1965 Subsection 32B-6-706(4), a limited-service restaurant licensee may not allow a patron to
 1966 remove a container containing an alcoholic product from the licensed premises of the
 1967 limited-service restaurant unless the limited-service restaurant licensee ~~§~~→ **[holds]** enters into ~~←~~§ a
 1967a package agency ~~§~~→ **contract** ~~←~~§
 1968 under which the limited-service restaurant licensee may sell, offer for sale, or furnish sealed
 1969 containers of an alcoholic product ~~§~~→ **other than beer, and obtains permission from the local**
 1969a **authority under which the limited-service restaurant licensee may sell, offer for sale, or furnish**
 1969b **sealed containers of beer for off-premise consumption** ~~←~~§ .

1970 (15) Subject to Section 32B-5-309, a limited-service restaurant licensee may not
 1971 temporarily rent or otherwise temporarily lease its premises to a person unless:

- 1972 (a) the person to whom the limited-service restaurant licensee rents or leases the
 1973 premises agrees in writing to comply with this title as if the person is the limited-service
 1974 restaurant licensee, except for a requirement related to making or maintaining a record; and
- 1975 (b) the limited-service restaurant licensee takes reasonable steps to ensure that the
 1976 person complies with this title as provided in Subsection (15)(a).

1977 Section 22. Section **32B-6-306** is enacted to read:

1978 **32B-6-306. Master limited-service restaurant license.**

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1979 (1) (a) The commission may issue a master limited-service restaurant license that
1980 authorizes a person to store, sell, offer for sale, furnish, or allow the consumption of an
1981 alcoholic product on premises at multiple locations as limited-service restaurants if the person
1982 applying for the master limited-service restaurant license:

1983 (i) owns each of the limited-service restaurants;

1984 (ii) except for the fee requirements, establishes to the satisfaction of the commission
1985 that each location of a limited-service restaurant under the master limited-service restaurant
1986 license separately meets the requirements of this part; and

1987 (iii) the master limited-service restaurant includes at least five limited-service
1988 restaurant locations.

1989 (b) The person seeking a master limited-service restaurant license shall designate
1990 which limited-service restaurant locations the person seeks to have under the master
1991 limited-service restaurant license.

1992 (c) A limited-service restaurant location under a master limited-service restaurant
1993 license is considered separately licensed for purposes of this title, except as provided in this
1994 section.

1995 (2) A master limited-service restaurant license and each location under Subsection (1)
1996 are considered a single limited-service restaurant license for purposes of Subsection
1997 32B-6-303(3)(a).

1998 (3) (a) A master limited-service restaurant license expires on October 31 of each year.

1999 (b) To renew a person's master limited-service restaurant license, a person shall comply
2000 with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than
2001 September 30.

2002 (4) (a) The nonrefundable application fee for a master limited-service restaurant license
2003 is \$330.

2004 (b) The initial license fee for a master limited-service restaurant license is \$5,000 plus
2005 a separate initial license fee for each newly licensed limited-service restaurant license under the
2006 master limited-service restaurant license determined in accordance with Subsection
2007 32B-6-304(3)(b).

2008 (c) The renewal fee for a master limited-service restaurant license is \$500 plus a
2009 separate renewal fee for each limited-service license under the master limited-service restaurant

2010 license determined in accordance with Subsection 32B-6-304(3)(c).

2011 (5) A new location may be added to a master limited-service restaurant license after the
2012 master limited-service restaurant license is issued if:

2013 (a) the master limited-service restaurant licensee pays a nonrefundable application fee
2014 of \$330; and

2015 (b) including payment of the initial license fee, the location separately meets the
2016 requirements of this part.

2017 (6) (a) A master limited-service restaurant licensee shall notify the department of a
2018 change in the persons managing a location covered by a master limited-service restaurant
2019 license:

2020 (i) immediately, if the management personnel is not management personnel at a
2021 location covered by the master limited-service restaurant licensee at the time of the change; or

2022 (ii) within 30 days of the change, if the master limited-service restaurant licensee is
2023 transferring management personnel from one location to another location covered by the master
2024 limited-service restaurant licensee.

2025 (b) A location covered by a master limited-service restaurant license shall keep its own
2026 records on its premises so that the department may audit the records.

2027 (c) A master limited-service restaurant licensee may not transfer alcoholic products
2028 between different locations covered by the master limited-service restaurant license.

2029 (7) (a) If there is a violation of this title at a location covered by a master
2030 limited-service restaurant license, the violation may result in disciplinary action in accordance
2031 with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2032 (i) the single location under a master limited-service restaurant license;

2033 (ii) individual staff of the location under the master limited-service restaurant license;

2034 or

2035 (iii) a combination of persons or locations described in Subsections (7)(a)(i) and (ii).

2036 (b) In addition to disciplinary action under Subsection (7)(a), disciplinary action in
2037 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, may be taken against a
2038 master limited-service restaurant licensee or individual staff of the master limited-service
2039 restaurant licensee if during a period beginning on November 1 and ending October 31:

2040 (i) at least 25% of the locations covered by the master limited-service restaurant license

2041 have been found by the commission to have committed a serious or grave violation of this title,
2042 as defined by rule made by the commission; or

2043 (ii) at least 50% of the locations covered by the master limited-service restaurant
2044 license have been found by the commission to have violated this title.

2045 (8) The commission may make rules, in accordance with Title 63G, Chapter 3, Utah
2046 Administrative Rulemaking Act, to establish how a person may apply for a master
2047 limited-service restaurant license under this section.

2048 Section 23. Section **32B-6-903** is amended to read:

2049 **32B-6-903. Commission's power to issue beer-only restaurant license.**

2050 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
2051 beer on its premises as a beer-only restaurant, the person shall first obtain a beer-only
2052 restaurant license from the commission in accordance with this part.

2053 (2) (a) The commission may issue a beer-only restaurant license to establish beer-only
2054 restaurant licensed premises at places and in numbers the commission considers proper for the
2055 storage, sale, offer for sale, furnishing, and consumption of beer on premises operated as a
2056 beer-only restaurant.

2057 (b) A person may not sell, offer for sale, furnish, or allow the consumption of liquor on
2058 the licensed premises of a beer-only restaurant licensee.

2059 (3) (a) Only one beer-only restaurant license is required for each building or resort
2060 facility owned or leased by the same person.

2061 (b) A separate license is not required for each beer-only restaurant license dispensing
2062 location in the same building or on the same resort premises owned or operated by the same
2063 person.

2064 (c) Except as provided in Subsections (3)(a) and (b), the commission may not issue a
2065 single beer-only restaurant license to a beer-only restaurant that would have licensed premises
2066 in more than one building unless there is continuity in the premises between the multiple
2067 buildings after considering one or more of the following:

2068 (i) whether a patron would go through an unlicensed area to move from one part of the
2069 licensed premises to a different part of the licensed premises;

2070 (ii) whether the buildings share common food preparation facilities;

2071 (iii) whether there is a common entrance to the licensed premises with multiple

2072 buildings; and

2073 (iv) any other factor the commission considers relevant.

2074 (4) (a) Except as provided in Subsection (4)(b) or (c), the commission may not issue a
2075 beer-only restaurant license for premises that do not meet the proximity requirements of
2076 Section 32B-1-202.

2077 (b) With respect to the premises of a beer-only restaurant license issued by the
2078 commission that undergoes a change of ownership, the commission shall waive or vary the
2079 proximity requirements of Subsection 32B-1-202(2) in considering whether to issue a
2080 beer-only restaurant license to the new owner of the premises if:

2081 (i) when a beer-only restaurant license was issued to a previous owner, the premises
2082 met the proximity requirements of Subsection 32B-1-202(2);

2083 (ii) the premises has had a beer-only restaurant license at all times since the beer-only
2084 restaurant license described in Subsection (4)(b)(i) was issued without a variance; and

2085 (iii) the community location was located within the proximity requirements of
2086 Subsection 32B-1-202(2) after the day on which the beer-only restaurant license described in
2087 Subsection (4)(b)(i) was issued.

2088 (c) The location of the licensed premises of an on-premise beer retailer who is licensed
2089 as of July 1, 2011, is grandfathered and not required to meet the proximity requirements of
2090 Section 32B-1-202 if the on-premise beer retailer obtains a beer-only restaurant license by not
2091 later than March 1, 2012. A location grandfathered under this Subsection (4)(c) is considered
2092 grandfathered notwithstanding that the beer-only restaurant license undergoes a change of
2093 ownership.

2094 Section 24. Section **32B-6-905** is amended to read:

2095 **32B-6-905. Specific operational requirements for a beer-only restaurant license.**

2096 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2097 Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
2098 shall comply with this section.

2099 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2100 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2101 (i) a beer-only restaurant licensee;

2102 (ii) individual staff of a beer-only restaurant licensee; or

2103 (iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.

2104 (2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
2105 sale, furnish, or allow consumption of liquor.

2106 (b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:

2107 (i) as a flavoring on a dessert; and

2108 (ii) in the preparation of a flaming food dish, drink, or dessert.

2109 (3) In addition to complying with Section 32B-5-303, a beer-only restaurant licensee
2110 shall store beer in a storage area described in Subsection (12)(a).

2111 (4) (a) An individual who serves beer in a beer-only restaurant licensee's premises shall
2112 make a written beverage tab for each table or group that orders or consumes an alcoholic
2113 product on the premises.

2114 (b) A beverage tab required by this Subsection (4) shall list the type and amount of
2115 beer ordered or consumed.

2116 (5) A person's willingness to serve beer may not be made a condition of employment as
2117 a server with a beer-only restaurant licensee.

2118 (6) A beer-only restaurant licensee may sell, offer for sale, or furnish beer during the
2119 hours specified in Part 7, On-premise Beer Retailer License, for an on-premise beer retailer,
2120 except that a beer-only restaurant licensee may not sell, offer for sale, or furnish beer before
2121 11:30 a.m. on any day.

2122 (7) A beer-only restaurant licensee shall maintain at least 70% of its total restaurant
2123 business from the sale of food, which does not include a service charge.

2124 (8) (a) A beer-only restaurant may not sell, offer for sale, or furnish beer except in
2125 connection with an order for food prepared, sold, and furnished at the licensed premises.

2126 (b) A beer-only restaurant shall maintain on the licensed premises adequate culinary
2127 facilities for food preparation and dining accommodations.

2128 (9) A patron may not have more than two beers at a time before the patron.

2129 (10) A patron may consume a beer only:

2130 (a) at:

2131 (i) the patron's table;

2132 (ii) a grandfathered bar structure; or

2133 (iii) a counter; and

- 2134 (b) where food is served.
- 2135 (11) (a) A beer-only restaurant licensee may not sell, offer for sale, or furnish a beer to
- 2136 a patron, and a patron may not consume an alcoholic product at a bar structure.
- 2137 (b) Notwithstanding Subsection (11)(a), at a grandfathered bar structure, a patron who
- 2138 is 21 years of age or older may:
- 2139 (i) sit;
- 2140 (ii) be furnished a beer; and
- 2141 (iii) consume a beer.
- 2142 (c) Except as provided in Subsection (11)(d), at a grandfathered bar structure, a
- 2143 beer-only restaurant licensee may not permit a minor to, and a minor may not:
- 2144 (i) sit; or
- 2145 (ii) consume food or beverages.
- 2146 (d) (i) A minor may be at a grandfathered bar structure if the minor is employed by a
- 2147 beer-only restaurant licensee:
- 2148 (A) as provided in Subsection 32B-5-308(2); or
- 2149 (B) to perform maintenance and cleaning services during an hour when the beer-only
- 2150 restaurant licensee is not open for business.
- 2151 (ii) A minor may momentarily pass by a grandfathered bar structure without remaining
- 2152 or sitting at the bar structure en route to an area of a beer-only restaurant licensee's premises in
- 2153 which the minor is permitted to be.
- 2154 (12) A beer-only restaurant licensee may dispense a beer only if:
- 2155 (a) the beer is dispensed from an area that is:
- 2156 (i) a grandfathered bar structure; or
- 2157 (ii) separated from an area for the consumption of food by a patron by a solid,
- 2158 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
- 2159 an alcoholic product are not readily visible to a patron, not accessible by a patron, and apart
- 2160 from an area used for dining, for staging, or as a lobby or waiting area;
- 2161 (b) the beer-only restaurant licensee uses a beer that is:
- 2162 (i) stored in an area described in Subsection (12)(a); or
- 2163 (ii) in an area not described in Subsection (12)(a) on the licensed premises and:
- 2164 (A) immediately before the beer is dispensed it is in an unopened container;

2165 (B) the unopened container is taken to an area described in Subsection (12)(a) before it
2166 is opened; and

2167 (C) once opened, the container is stored in an area described in Subsection (12)(a); and

2168 (c) any instrument or equipment used to dispense the beer is located in an area
2169 described in Subsection (12)(a).

2170 (13) Notwithstanding Subsection 32B-6-706(4), a beer-only restaurant licensee may
2171 not allow a patron to remove a container containing an alcoholic product from the licensed
2172 premises of the beer-only restaurant unless the beer-only restaurant licensee ~~§~~→ [holds a package
2173 agency] obtains permission from the local authority ←~~§~~ under which the beer-only restaurant
2173a licensee may sell, offer for sale, or furnish sealed
2174 containers of beer ~~§~~→ for off premise consumption ←~~§~~ .

2175 (14) Subject to Section 32B-5-309, a beer-only restaurant licensee may not temporarily
2176 rent or otherwise temporarily lease its premises to a person unless:

2177 (a) the person to whom the beer-only restaurant licensee rents or leases the premises
2178 agrees in writing to comply with this title as if the person is the beer-only restaurant licensee,
2179 except for a requirement related to making or maintaining a record; and

2180 (b) the beer-only restaurant licensee takes reasonable steps to ensure that the person
2181 complies with this title as provided in Subsection (14)(a).

2182 Section 25. Section **32B-8a-201 (Effective 07/01/13)** is amended to read:
2183 **32B-8a-201 (Effective 07/01/13). Transferability of retail license.**

2184 (1) (a) A retail license is separate from other property of a retail licensee.

2185 (b) Notwithstanding Subsection (1)(a), the Legislature may terminate or modify the
2186 existence of any type of retail license.

2187 (c) Except as provided in this chapter, a person may not:

2188 (i) transfer a retail license from one location to another location; or

2189 (ii) sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the
2190 retail license to another person whether for monetary gain or not.

2191 (d) If approved by the commission and subject to the requirements of this chapter, a
2192 retail licensee may transfer a retail license:

2193 (i) from the retail licensee to another person, regardless of whether it is for the same
2194 premises; and

2195 (ii) from one premises of the retail licensee to another premises of the retail licensee.

2196 (2) (a) The commission may not approve the transfer of a retail license that results in a
2197 transferee holding a different type of retail license than is held by the transferor.

2198 (b) The commission may not approve the transfer of a retail license from one location
2199 to another location, if the location of the premises to which the retail license would be
2200 transferred is in a different county than the location of the licensed premises of the retail license
2201 being transferred.

2202 (3) The commission may not approve the transfer of a retail license if the transferee:

2203 (a) is not eligible to hold the same type of retail license as the retail license to be
2204 transferred at the premises to which the retail license would be transferred; or

2205 (b) is delinquent in the payment of any of the following that arises in full or in part out
2206 of the operation of a retail license:

2207 (i) a tax, fee, or charge due under this title or Title 59, Revenue and Taxation; or

2208 (ii) an amount due under Title 35A, Chapter 4, Employment Security Act.

2209 (4) This chapter does not apply to a:

2210 (a) master full-service restaurant license; or

2211 (b) master limited-service restaurant license.

2212 **§→ [Section 26. Section 32B-9-204 is amended to read:**

2213 ~~———— 32B-9-204. General operational requirements for an event permit.~~

2214 ~~———— (1) (a) An event permittee and a person involved in the storage, sale, offer for sale, or~~
2215 ~~furnishing of an alcoholic product at an event for which an event permit is issued, shall comply~~
2216 ~~with this title and rules of the commission.~~

2217 ~~———— (b) Failure to comply as provided in Subsection (1)(a):~~

2218 ~~———— (i) may result in:~~

2219 ~~———— (A) disciplinary action in accordance with Chapter 3, Disciplinary Actions and~~
2220 ~~Enforcement Act, against:~~

2221 ~~———— (I) an event permittee;~~

2222 ~~(H) a person involved in the storage, sale, offer for sale, or furnishing of an alcoholic~~
2223 ~~product at the event; or~~

2224 ~~———— (II) any combination of the persons listed in this Subsection (1)(b);~~

2225 ~~———— (B) immediate revocation of the event permit;~~

2226 ~~———— (C) forfeiture of a bond; or] ←§~~

2227 ~~§~~→ [(D) immediate seizure of an alcoholic product present at the event; and

2228 ———(ii) if the event permit is revoked, disqualifies the event permittee from applying for an

2229 event permit for a period of three years from the date of revocation of the event permit.

2230 ———(c) An alcoholic product seized under this Subsection (1) shall be returned to the event

2231 permittee after an event if forfeiture proceedings are not instituted under Section 32B-4-206.

2232 ———(2) (a) If there is a conflict between this part and the relevant part under this chapter for

2233 the specific type of special use permit held by the special use permittee, the relevant part

2234 governs:

2235 ———(b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," an

2236 event permittee may only sell, offer for sale, or furnish an alcoholic product specified in the

2237 relevant part under this chapter for the type of event permit that is held by the event permittee.

2238 ———(c) Notwithstanding that this part or the relevant part under this chapter for the type of

2239 event permit held by an event permittee refers to "event permittee," a person involved in the

2240 storage, sale, offer for sale, or furnishing of an alcoholic product at the event for which the

2241 event permit is issued is subject to the same requirement or prohibition.

2242 ———(3) An event permittee shall display a copy of the event permit in a prominent place in

2243 the area in which an alcoholic product is sold, offered for sale, furnished, and consumed.

2244 ———(4) An event permittee may not on the premises of the event:

2245 (a) engage in or allow any form of gambling, as defined and proscribed in Title 76,

2246 Chapter 10, Part 11, Gambling;

2247 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,

2248 Part 11, Gambling; or

2249 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires

2250 the risking of something of value for a return or for an outcome when the return or outcome is

2251 based upon an element of chance, excluding the playing of an amusement device that confers

2252 only an immediate and unrecorded right of replay not exchangeable for value.

2253 ———(5) An event permittee may not knowingly allow a person at an event to, in violation of

2254 Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug

2255 Paraphernalia Act:

2256 ———(a) sell, distribute, possess, or use a controlled substance, as defined in Section

2257 58-37-2; or] ←§

2258 ~~§→ [(b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in~~
2259 ~~Section 58-37a-3.~~

2260 ~~—— (6) An event permittee may not sell, offer for sale, or furnish beer except beer~~
2261 ~~purchases from:~~

2262 ~~—— (a) a beer wholesaler licensee;~~
2263 ~~—— (b) a beer retailer; or~~
2264 ~~—— (c) a small brewer.~~

2265 ~~—— (7) An event permittee may not store, sell, offer for sale, furnish, or allow the~~
2266 ~~consumption of an alcoholic product purchased for an event in a location other than that~~
2267 ~~described in the application and designated on the event permit unless the event permittee first~~
2268 ~~applies for and receives approval from the director, with the approval of the Compliance,~~
2269 ~~Licensing, and Enforcement Subcommittee, for a change of location.~~

2270 ~~—— (8) (a) Subject to Subsection (8)(b), an event permittee may sell, offer for sale, or~~
2271 ~~furnish beer for on-premise consumption:~~

2272 ~~—— (i) in an open original container; and~~
2273 ~~—— (ii) in a container on draft.~~

2274 ~~—— (b) An event permittee may not sell, offer for sale, or furnish beer sold pursuant to~~
2275 ~~Subsection (8)(a):~~

2276 ~~—— (i) in a size of container that exceeds two liters; or~~
2277 ~~(ii) to an individual patron in a size of container that exceeds one liter.~~

2278 ~~—— (9) (a) An event permittee may not sell or offer for sale an alcoholic product at less~~
2279 ~~than the cost of the alcoholic product to the event permittee.~~

2280 ~~—— (b) An event permittee may not sell an alcoholic product at a discount price on any date~~
2281 ~~or at any time.~~

2282 ~~—— (c) An event permittee may not sell or offer for sale an alcoholic product at a price that~~
2283 ~~encourages over consumption or intoxication.~~

2284 ~~—— (d) An event permittee may not sell or offer for sale an alcoholic product at a special or~~
2285 ~~reduced price for only certain hours of the day of an event.~~

2286 ~~—— (e) An event permittee may not sell, offer for sale, or furnish more than one alcoholic~~
2287 ~~product at the price of a single alcoholic product.~~

2288 ~~—— (f) An event permittee, or a person operating, selling, offering, or furnishing an] ←§~~

2289 ~~§→ [alcoholic product under an event permit, may not sell, offer for sale, or furnish an indefinite or~~
 2290 ~~unlimited number of alcoholic products during a set period for a fixed price, unless:~~
 2291 ~~—— (i) the alcoholic product is served to a patron at a seated event;~~
 2292 ~~—— (ii) food is available whenever the alcoholic product is sold, offered for sale, or~~
 2293 ~~furnished; and~~
 2294 ~~—— (iii) no person advertises that at the event a person may be sold or furnished an~~
 2295 ~~indefinite or unlimited number of alcoholic products during a set period for a fixed price.~~
 2296 ~~—— (g) An event permittee may not engage in a public promotion involving or offering a~~
 2297 ~~free alcoholic product to the general public.~~
 2298 ~~—— (10) An event permittee may not sell, offer for sale, or furnish an alcoholic product to:~~
 2299 ~~—— (a) a minor;~~
 2300 ~~—— (b) a person actually, apparently, or obviously intoxicated;~~
 2301 ~~—— (c) a known interdicted person; or~~
 2302 ~~—— (d) a known habitual drunkard.~~
 2303 ~~—— (11) (a) An alcoholic product is considered under the control of the event permittee~~
 2304 ~~during an event.~~
 2305 ~~—— (b) A patron at an event may not bring an alcoholic product onto the premises of the~~
 2306 ~~event.~~
 2307 ~~—— (12) An event permittee may not permit a patron to carry from the premises an open~~
 2308 ~~container that:~~
 2309 ~~—— (a) is used primarily for drinking purposes; and~~
 2310 ~~—— (b) contains an alcoholic product.~~
 2311 ~~—— (13) (a) A person involved in the storage, sale, or furnishing of an alcoholic product at~~
 2312 ~~an event is considered under the supervision and direction of the event permittee.~~
 2313 ~~—— (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product at~~
 2314 ~~an event may not, while on duty:~~
 2315 ~~—— (i) consume an alcoholic product; or~~
 2316 ~~—— (ii) be intoxicated.~~
 2317 ~~—— (14) A minor may not handle, sell, offer for sale, or furnish an alcoholic product at an~~
 2318 ~~event.~~
 2319 ~~—— (15) The location specified in an event permit may not be changed without prior] ←§~~

2320 ~~§→ [written approval of the commission. An event permittee shall pay an application fee of \$300 to~~
 2321 ~~apply for the written approval of the commission under this Subsection (15).~~

2322 ~~—— (16) An event permittee may not sell, transfer, assign, exchange, barter, give, or~~
 2323 ~~attempt in any way to dispose of the event permit to another person whether for monetary gain~~
 2324 ~~or not.~~

2325 ~~—— (17) (a) An event permittee may not sell, offer for sale, furnish, or allow the~~
 2326 ~~consumption of an alcoholic product during a period that:~~

2327 ~~—— (i) begins at 1 a.m.; and~~

2328 ~~—— (ii) ends at 9:59 a.m.~~

2329 ~~—— (b) This Subsection (17) does not preclude a local authority from being more restrictive~~
 2330 ~~with respect to the hours of sale, offer for sale, furnishing, or consumption of an alcoholic~~
 2331 ~~product at an event.~~

2332 ~~—— (18) A patron may have no more than one alcoholic product of any kind at a time~~
 2333 ~~before the patron.~~

2334 ~~—— (19) (a) An event permittee shall display, in a prominent place, a sign in large letters~~
 2335 ~~that consists of text in the following order:~~

2336 ~~—— (i) a header that reads: "WARNING";~~

2337 ~~—— (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy~~
 2338 ~~can cause birth defects and permanent brain damage for the child.";~~

2339 ~~§→ [(iii) a statement in smaller font that reads: "Call the Utah Department of Health at~~
 2340 ~~[insert most current toll-free number] with questions or for more information.";~~

2341 ~~—— (iv) a header that reads: "WARNING"; and~~

2342 ~~—— (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a~~
 2343 ~~serious crime that is prosecuted aggressively in Utah."~~

2344 ~~—— (b) (i) The text described in Subsections (19)(a)(i) through (iii) shall be in a different~~
 2345 ~~font style than the text described in Subsections (19)(a)(iv) and (v).~~

2346 ~~—— (ii) The warning statements in the sign described in Subsection (19)(a) shall be in the~~
 2347 ~~same font size.~~

2348 ~~—— (c) The Department of Health shall work with the commission and department to~~
 2349 ~~facilitate consistency in the format of a sign required under this section.] ←§~~

2350 Section 27. Section 32B-10-206 is amended to read:

2351 **32B-10-206. General operational requirements for special use permit.**

2352 (1) (a) A special use permittee and staff of the special use permittee shall comply with
2353 this title and rules of the commission, including the relevant part of the chapter that applies to
2354 the type of special use permit held by the special use permittee.

2355 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2356 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2357 (i) a special use permittee;

2358 (ii) individual staff of a special use permittee; or

2359 (iii) a special use permittee and staff of the special use permittee.

2360 (c) The commission may suspend or revoke a special use permit with or without cause.

2361 (2) (a) If there is a conflict between this part and the relevant part under this chapter for
2362 the specific type of special use permit, the relevant part under this chapter governs.

2363 (b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," a
2364 special use permittee may only purchase, use, store, sell, offer for sale, allow consumption, or
2365 manufacture an alcoholic product authorized for the special use permit that is held by the
2366 special use permittee.

2367 (c) Notwithstanding that this part or the relevant part under this chapter for the type of
2368 special use permit held by a special use permittee refers to "special use permittee," a person
2369 involved in the purchase, use, store, sell, offer for sale, allow consumption, or manufacture of
2370 an alcoholic product for which the special use permit is issued is subject to the same
2371 requirement or prohibition.

2372 (3) (a) A special use permittee shall make and maintain a record, as required by
2373 commission rule, of any alcoholic product purchased, used, sold, or manufactured.

2374 (b) Section 32B-1-205 applies to a record required to be made or maintained in
2375 accordance with this Subsection (3).

2376 (4) (a) Except as otherwise provided in this title, a special use permittee may not
2377 purchase liquor except from a state store or package agency.

2378 (b) A special use permittee may transport liquor purchased by the special use permittee
2379 in accordance with this Subsection (4) from the place of purchase to the special use permittee's
2380 premises.

2381 (c) A special use permittee shall purchase liquor at prices set by the commission.

2382 (d) When authorized by a special use permit, a special use permittee may purchase and
2383 receive an alcoholic product directly from a manufacturer for a purpose that is industrial,
2384 educational, scientific, or manufacturing.

2385 (e) A health care facility may purchase and receive an alcoholic product directly from a
2386 manufacturer for use at the health care facility.

2387 (5) A special use permittee may not use, mix, store, sell, offer for sale, furnish,
2388 manufacture, or allow consumption of an alcoholic product in a location other than as
2389 designated in a special use permittee's application.

2390 (6) Except as otherwise provided, a special use permittee may not sell, offer for sale, or
2391 furnish an alcoholic product to:

2392 (a) a minor;

2393 (b) a person actually, apparently, or obviously intoxicated;

2394 (c) a known interdicted person; or

2395 (d) a known habitual drunkard.

2396 (7) A special use permittee may not employ a minor to handle an alcoholic product.

2397 (8) (a) The location specified in a special use permit may not be transferred from one
2398 location to another location, without prior written approval of the commission. A special use
2399 permittee shall pay an application fee of \$300 to apply for the written approval of the
2400 commission under this Subsection (8)(a).

2401 (b) A special use permittee may not sell, transfer, assign, exchange, barter, give, or
2402 attempt in any way to dispose of the permit to another person whether for monetary gain or not.

2403 (9) A special use permittee may not purchase, use, mix, store, sell, offer for sale,
2404 furnish, consume, or manufacture an alcoholic product for a purpose other than that authorized
2405 by the special use permit.

2406 (10) The commission may prescribe by policy or rule consistent with this title, the
2407 general operational requirements of a special use permittee relating to:

2408 (a) physical facilities;

2409 (b) conditions of purchase, use, storage, sale, consumption, or manufacture of an
2410 alcoholic product;

2411 (c) purchase, storage, and sales quantity limitations; and

2412 (d) other matters considered appropriate by the commission.

2413 Section 28. Section **32B-11-208** is amended to read:

2414 **32B-11-208. General operational requirements for manufacturing license.**

2415 (1) (a) A manufacturing licensee and staff of the manufacturing licensee shall comply
2416 with this title and the rules of the commission, including the relevant part of this chapter
2417 applicable to the type of manufacturing license held by the manufacturing licensee.

2418 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2419 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2420 (i) a manufacturing licensee;

2421 (ii) individual staff of a manufacturing licensee; or

2422 (iii) a manufacturing licensee and staff of the manufacturing licensee.

2423 (2) A manufacturing licensee shall prominently display the manufacturing license on
2424 the licensed premises.

2425 (3) (a) A manufacturing licensee shall make and maintain the records required by the
2426 department.

2427 (b) Section 32B-1-205 applies to a record required to be made or maintained in
2428 accordance with this Subsection (3).

2429 (4) A manufacturing licensee may not sell liquor within the state except to:

2430 (a) the department; or

2431 (b) a military installation.

2432 (5) A manufacturing license may not be transferred from one location to another
2433 location, without prior written approval of the commission. A manufacturing licensee shall pay
2434 an application fee of \$300 to apply for the written approval of the commission under this
2435 Subsection (5).

2436 (6) (a) A manufacturing licensee may not sell, transfer, assign, exchange, barter, give,
2437 or attempt in any way to dispose of the license to another person, whether for monetary gain or
2438 not.

2439 (b) A manufacturing license has no monetary value for any type of disposition.

2440 (7) A manufacturing licensee may not advertise its product in violation of this title or
2441 any other federal or state law, except that nothing in this title prohibits the advertising or
2442 solicitation of an order for industrial alcohol from a holder of a special use permit.

2443 (8) A manufacturing licensee shall from time to time, on request of the department,

2444 furnish for analytical purposes a sample of the alcoholic product that the manufacturing
2445 licensee has:

2446 (a) for sale; or

2447 (b) in the course of manufacture for sale in this state.

2448 (9) The commission may prescribe by policy or rule, consistent with this title, the
2449 general operational requirements of a manufacturing licensee relating to:

2450 (a) physical facilities;

2451 (b) conditions of storage, sale, or manufacture of an alcoholic product;

2452 (c) storage and sales quantity limitations; and

2453 (d) other matters considered appropriate by the commission.

2454 Section 29. Section **32B-12-301** is amended to read:

2455 **32B-12-301. General operational requirements for liquor warehousing license.**

2456 (1) (a) A liquor warehouser licensee and staff of the liquor warehouser licensee shall
2457 comply with this title and the rules of the commission.

2458 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2459 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2460 (i) a liquor warehouser licensee;

2461 (ii) individual staff of a liquor warehouser licensee; or

2462 (iii) both a liquor warehouser licensee and staff of the liquor warehouser licensee.

2463 (2) (a) A liquor warehouser licensee shall make and maintain records required by the
2464 department.

2465 (b) Section 32B-1-205 applies to a record required to be made or maintained in
2466 accordance with this Subsection (2).

2467 (3) A liquor warehousing license may not be transferred from one location to another
2468 location, without prior written approval of the commission. A liquor warehousing licensee
2469 shall pay an application fee of \$300 to apply for the written approval of the commission under
2470 this Subsection (3).

2471 (4) (a) A liquor warehouser licensee may not sell, transfer, assign, exchange, barter,
2472 give, or attempt in any way to dispose of the license to another person, whether for monetary
2473 gain or not.

2474 (b) A liquor warehousing license has no monetary value for any type of disposition.

2475 (5) A liquor warehouser licensee may not employ a minor to handle an alcoholic
2476 product.

2477 (6) Liquor that is warehoused in this state and sold to an out-of-state consignee, may be
2478 transported out of the state only by a motor carrier regulated under Title 72, Chapter 9, Motor
2479 Carrier Safety Act.

2480 (7) Liquor that is warehoused in this state and sold to the department may be
2481 transported only by a motor carrier approved by the department.

2482 (8) Liquor transported to or from a liquor warehouser licensee's licensed premises shall
2483 be carried in a sealed conveyance that is made available for inspection by the department while
2484 en route within the state.

2485 (9) A liquor warehouser licensee may not ship, convey, distribute, or remove liquor
2486 from a warehouse in less than a full case lot.

2487 (10) A liquor warehouser licensee may not ship, convey, distribute, or remove liquor
2488 from a warehouse to a consignee outside the state that is not licensed as a liquor wholesaler or
2489 retailer by the state in which the consignee is domiciled.

2490 (11) A liquor warehouser licensee may not receive, warehouse, distribute, transport,
2491 ship, or convey liquor that the commission has not authorized the liquor warehouser licensee to
2492 handle through its warehouse.

2493 (12) The commission may prescribe by policy or rule, consistent with this title, the
2494 general operational requirements of licensees relating to:

2495 (a) physical facilities;

2496 (b) conditions of storage, distribution, or transport of liquor; and

2497 (c) other matters considered appropriate by the commission.

2498 Section 30. **Uncodified Section 7, Laws of Utah 2012, Fourth Special Session,**

2499 **Chapter 1** is amended to read:

2500 Section 7. **Uncodified Section 110, Laws of Utah 2011, Chapter 334** is amended to
2501 read:

2502 Section 110. **Effective date.**

2503 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2011.

2504 (2) (a) The repeal of Subsection 32B-6-603(4) [~~Effective 07/01/11~~] in this bill takes
2505 effect on November 1, 2011.

2506 (b) Title 32B, Chapter 6, Part 8, Reception Center License, enacted by this bill takes
2507 effect on November 1, 2011.

2508 (c) Title 32B, Chapter 6, Part 9, Beer-only Restaurant License, enacted by this bill
2509 takes effect on March 1, 2012.

2510 (d) The following take effect on July 1, [~~2013~~] 2014:

2511 (i) Section 32B-5-309 [~~(Effective 07/01/11)~~] (Effective 07/01/13) as amended by this
2512 bill; and

2513 (ii) Title 32B, Chapter 8a, Transfer of Retail License Act, enacted by this bill.

2514 Section 31. **Uncodified Section 8, Laws of Utah 2012, Fourth Special Session,**
2515 **Chapter 1** is amended to read:

2516 Section 8. **Uncodified Section 24, Laws of Utah 2012, Chapter 365** is amended to
2517 read:

2518 Section 24. **Effective date.**

2519 This bill takes effect on July 1, 2012, except that the amendments made to Section
2520 32B-8a-302 [~~(Effective 07/01/12)~~] (Effective 07/01/13), and Section 32B-8a-303 [~~(Effective~~
2521 ~~07/01/12)~~] (Effective 07/01/13), in this bill take effect on July 1, [~~2013~~] 2014.

2522 Section 32. **Appropriation.**

2523 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for
2524 the fiscal year beginning July 1, 2013, and ending June 30, 2014, the following sums of money
2525 are appropriated from resources not otherwise appropriated, or reduced from amounts
2526 previously appropriated, out of the funds or accounts indicated. These sums of money are in
2527 addition to any amounts previously appropriated for fiscal year 2014:

2528 To Attorney General - Administration

2529 From Alcoholic Beverage Control Act Legal Fund \$130,000

2530 Schedule of Programs:

2531 Administration \$130,000

2532 The Legislature intends that the money appropriated be used to enforce Title 32B,
2533 Alcoholic Beverage Control Act, as provided in Section 32B-2-307.

2534 Section 33. **Effective date.**

2535 (1) Except as provided in Subsection (2), this bill takes effect on May 14, 2013.

2536 (2) The actions to Section 32B-8a-201 (Effective 07/01/13) take effect on July 1, 2014.

2537 Section 34. **Revisor instructions.**

2538 The Legislature intends that the Office of Legislative Research and General Counsel, in
2539 preparing the Utah Code database for publication do the following:

2540 (1) change the superseding date in Section 32B-5-309 (Superseded 07/01/13) from July
2541 1, 2013, to July 1, 2014;

2542 (2) change the effective date in Section 32B-5-309 (Effective 07/01/13) from July 1,
2543 2013, to July 1, 2014; and

2544 (3) change the effective date from July 1, 2013, to July 1, 2014, in the following
2545 sections:

2546 (a) Section 32B-8a-101 (Effective 07/01/13);

2547 (b) Section 32B-8a-102 (Effective 07/01/13);

2548 (c) Section 32B-8a-201 (Effective 07/01/13);

2549 (d) Section 32B-8a-202 (Effective 07/01/13);

2550 (e) Section 32B-8a-203 (Effective 07/01/13);

2551 (f) Section 32B-8a-301 (Effective 07/01/13);

2552 (g) Section 32B-8a-302 (Effective 07/01/13);

2553 (h) Section 32B-8a-303 (Effective 07/01/13);

2554 (i) Section 32B-8a-401 (Effective 07/01/13);

2555 (j) Section 32B-8a-402 (Effective 07/01/13);

2556 (k) Section 32B-8a-403 (Effective 07/01/13);

2557 (l) Section 32B-8a-404 (Effective 07/01/13);

2558 (m) Section 32B-8a-501 (Effective 07/01/13); and

2559 (n) Section 32B-8a-502 (Effective 07/01/13).