

DRAMSHOP AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: V. Lowry Snow

Senate Sponsor: Todd Weiler

LONG TITLE

General Description:

This bill modifies the Alcoholic Beverage Control Act to address dramshop insurance.

Highlighted Provisions:

This bill:

- ▶ modifies language addressing the amount of dramshop coverage a retail licensee is required to carry; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

32B-5-201, as enacted by Laws of Utah 2010, Chapter 276

32B-8-202, as last amended by Laws of Utah 2011, Chapter 334

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

Section 1. Section **32B-5-201** is amended to read:

32B-5-201. Application requirements for retail license.

(1) (a) Before a person may store, sell, offer for sale, furnish, or permit consumption of



28 an alcoholic product on licensed premises as a retail licensee, the person shall first obtain a
29 retail license issued by the commission, notwithstanding whether the person holds a local
30 license or a permit issued by a local authority.

31 (b) Violation of this Subsection (1) is a class B misdemeanor.

32 (2) To obtain a retail license under this title, a person shall submit to the department:

33 (a) a written application in a form prescribed by the department;

34 (b) a nonrefundable application fee in the amount specified in the relevant part under
35 Chapter 6, Specific Retail License Act, for the type of retail license for which the person is
36 applying;

37 (c) an initial license fee:

38 (i) in the amount specified in the relevant part under Chapter 6, Specific Retail License
39 Act, for the type of retail license for which the person is applying; and

40 (ii) that is refundable if a retail license is not issued;

41 (d) written consent of the local authority;

42 (e) a copy of the person's current business license;

43 (f) evidence of proximity to any community location, with proximity requirements
44 being governed by Section 32B-1-202;

45 (g) a bond as specified by Section 32B-5-204;

46 (h) a floor plan, and boundary map where applicable, of the premises of the retail
47 license, including any:

48 (i) consumption area; and

49 (ii) area where the person proposes to store, sell, offer for sale, or furnish an alcoholic
50 beverage;

51 (i) evidence that the retail licensee is carrying public liability insurance in an amount
52 and form satisfactory to the department;

53 (j) evidence that the retail licensee is carrying dramshop insurance coverage of at least
54 \$1,000,000 per ~~[occurrence]~~ person and \$2,000,000 ~~[in the aggregate]~~ per accident;

55 (k) a signed consent form stating that the retail licensee will permit any authorized
56 representative of the commission, department, or any law enforcement officer to have
57 unrestricted right to enter the premises of the retail licensee;

58 (l) if the person is an entity, proper verification evidencing that a person who signs the

59 application is authorized to sign on behalf of the entity; and

60 (m) any other information the commission or department may require.

61 (3) The commission may not issue a retail license to a person who:

62 (a) is disqualified under Section 32B-1-304; or

63 (b) is not lawfully present in the United States.

64 (4) Unless otherwise provided in the relevant part under Chapter 6, Specific Retail
65 License Act, the commission may not issue a retail license to a person if the licensed premises
66 does not meet the proximity requirements of Section 32B-1-202.

67 Section 2. Section 32B-8-202 is amended to read:

68 **32B-8-202. Specific licensing requirements for resort license.**

69 (1) To obtain a resort license, in addition to complying with Chapter 5, Part 2, Retail
70 Licensing Process, a person shall submit with the written application:

71 (a) the current business license for each sublicense, if the business license is separate
72 from the person's business license;

73 (b) evidence:

74 (i) of proximity of the resort building to any community location, with proximity
75 requirements being governed by Section 32B-1-202;

76 (ii) that each of the four or more sublicense premises is entirely within the boundaries
77 of the resort building; and

78 (iii) that the building designated in the application as the resort building qualifies as a
79 resort building;

80 (c) a description and boundary map of the resort building;

81 (d) a description, floor plan, and boundary map of each sublicense premises
82 designating:

83 (i) any location at which the person proposes that an alcoholic product be stored; and

84 (ii) a designated location on the sublicense premises from which the person proposes
85 that an alcoholic product be sold, furnished, or consumed;

86 (e) evidence that the resort license person carries dramshop insurance coverage equal
87 to the sum of at least \$1,000,000 per ~~[occurrence]~~ person and \$2,000,000 ~~[in the aggregate]~~ per
88 accident to cover both the general resort license and each sublicense; and

89 (f) a signed consent form stating that the person will permit any authorized

90 representative of the commission, department, or any law enforcement officer to have
91 unrestricted right to enter the boundary of the resort building and each sublicense premises.

92 (2) (a) A resort license expires on October 31 of each year.

93 (b) To renew a person's resort license, the person shall comply with the requirements of
94 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

95 (3) (a) The nonrefundable application fee for a resort license is \$300.

96 (b) The initial license fee for a resort license is calculated as follows:

97 (i) \$10,000 if four sublicenses are being applied for under the resort license; or

98 (ii) if more than four sublicenses are being applied for under the resort license, the sum
99 of:

100 (A) \$10,000; and

101 (B) \$2,000 for each sublicense in excess of four sublicenses for which the person is
102 applying.

103 (c) The renewal fee for a resort license is \$1,000 for each sublicense under the resort
104 license.

105 (4) (a) The bond amount required for a resort license is the penal sum of \$25,000.

106 (b) A resort licensee is not required to have a separate bond for each sublicense, except
107 that the aggregate of the bonds posted by the resort licensee shall cover each sublicense under
108 the resort license.

109 (5) The commission may not issue a resort license for a resort building that does not
110 meet the proximity requirements of Section [32B-1-202](#).

Legislative Review Note
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Office of Legislative Research and General Counsel