

ALCOHOL BEVERAGE LICENSE AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Alcoholic Beverage Control Act to make changes related to licensing.

Highlighted Provisions:

This bill:

- ▶ addresses quota numbers for club licenses and reception center licenses.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2014.

Utah Code Sections Affected:

AMENDS:

32B-6-403, as last amended by Laws of Utah 2011, Second Special Session, Chapter 2

32B-6-803, as enacted by Laws of Utah 2011, Chapter 334

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

Section 1. Section **32B-6-403** is amended to read:

32B-6-403. Commission's power to issue club license.

(1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on its premises as a club licensee, the person shall first obtain a club



28 license from the commission in accordance with this part.

29 (2) The commission may issue a club license to establish club licensed premises at
30 places and in numbers the commission considers proper for the storage, sale, offer for sale,
31 furnishing, and consumption of an alcoholic product on premises operated by a club licensee.

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

33 (a) (i) The commission may not issue a total number of dining club licenses that at any
34 time exceeds the number determined by dividing the population of the state by [~~7,850~~] 28,742.

35 (ii) The commission may not issue a total number of social club licenses, equity club
36 licenses, and fraternal club licenses that at any time exceeds the number determined by
37 dividing the population of the state by 9,936.

38 (b) The commission may issue a seasonal club license in accordance with Section
39 32B-5-206 to:

40 (i) a dining club licensee; or

41 (ii) a social club licensee.

42 (c) (i) If the location, design, and construction of a hotel may require more than one
43 dining club license or social club license location within the hotel to serve the public
44 convenience, the commission may authorize as many as three club license locations within the
45 hotel under one club license if:

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

47 (B) all locations under the club license are:

48 (I) within the same hotel; and

49 (II) on premises that are managed or operated, and owned or leased, by the club
50 licensee.

51 (ii) A facility other than a hotel shall have a separate club license for each club license
52 location where an alcoholic product is sold, offered for sale, or furnished.

53 (d) When a business establishment undergoes a change of ownership, the commission
54 may issue a club license to the new owner of the business establishment notwithstanding that
55 there is no club license available under Subsection (3)(a) if:

56 (i) the primary business activity at the business establishment before and after the
57 change of ownership is not the sale, offer for sale, or furnishing of an alcoholic product;

58 (ii) before the change of ownership there are two or more licensed premises on the

59 business establishment that operate under a retail license, with at least one of the retail licenses
60 being a club license;

61 (iii) subject to Subsection (3)(e), the licensed premises of the club license issued under
62 this Subsection (3)(d) is at the same location where the club license licensed premises was
63 located before the change of ownership; and

64 (iv) the person who is the new owner of the business establishment qualifies for the
65 club license, except for there being no club license available under Subsection (3)(a).

66 (e) If a club licensee of a club license issued under Subsection (3)(d) requests a change
67 of location, the club licensee may retain the club license after the change of location only if on
68 the day on which the club licensee seeks a change of location a club license is available under
69 Subsection (3)(a).

70 Section 2. Section **32B-6-803** is amended to read:

71 **32B-6-803. Commission's power to issue reception center license.**

72 (1) Before a person may store, sell, offer for sale, or furnish an alcoholic product on its
73 premises as a reception center, the person shall first obtain a reception center license from the
74 commission in accordance with this part.

75 (2) The commission may issue a reception center license to establish reception center
76 licensed premises at places and in numbers the commission considers proper for the storage,
77 sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated
78 as a reception center.

79 (3) Subject to Section [32B-1-201](#), the commission may not issue a total number of
80 reception center licenses that at any time exceeds the number determined by dividing the
81 population of the state by [~~56,313~~] 109,115.

82 (4) The commission may not issue a reception center license for premises that do not
83 meet the proximity requirements of Section [32B-1-202](#).

84 Section 3. **Effective date.**

85 This bill takes effect on July 1, 2014.

Legislative Review Note
as of 2-6-14 11:55 AM

Office of Legislative Research and General Counsel