

**ALCOHOLIC BEVERAGE CONTROL BUDGET**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Karen Mayne**

House Sponsor: \_\_\_\_\_

**LONG TITLE**

**General Description:**

This bill modifies the Alcoholic Beverage Control Act to address the budget of the Department of Alcoholic Beverage Control and the Alcoholic Beverage Control Commission.

**Highlighted Provisions:**

This bill:

- ▶ provides for how the budget is to be determined;
- ▶ addresses how money is to be spent; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**32B-2-301**, as last amended by Laws of Utah 2013, Chapter 349

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

Section 1. Section **32B-2-301** is amended to read:

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



28 (1) The following are property of the state:  
29 (a) the money received in the administration of this title, except as otherwise provided;  
30 and

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

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

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

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

36 (b) In accordance with Section 32B-2-304, the State Tax Commission shall deposit  
37 revenue remitted to the State Tax Commission from the markup imposed under Section  
38 32B-2-304 into the Markup Holding Fund.

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

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

41 (ii) to fund the deposits required by Subsection 32B-2-304(4) and Subsection  
42 32B-2-305(4).

43 (4) (a) The department may draw from the Liquor Control Fund only to the extent  
44 appropriated by the Legislature or provided for by statute, except that the department may draw  
45 by warrant without an appropriation from the Liquor Control Fund for an expenditure that is  
46 directly incurred by the department:

47 ~~(a)~~ (i) to purchase an alcoholic product;

48 ~~(b)~~ (ii) to transport an alcoholic product from the supplier to a warehouse of the  
49 department; and

50 ~~(c)~~ (iii) for variances related to an alcoholic product.

51 (b) (i) (A) Subject to the other provisions of this Subsection (4), the Legislature shall  
52 appropriate from the Liquor Control Fund to the department an amount equal to or greater than  
53 15% of the five-year average of gross revenue from sales of liquor by the department calculated  
54 under Subsection (4)(b)(i)(B).

55 (B) The five-year average of gross revenue from sales of liquor by the department is  
56 the yearly average of the gross revenue, not including sales tax collected, from the sale of  
57 liquor by the department for the five fiscal years that have been closed by the Division of  
58 Finance that immediately precede the fiscal year for which the calculation is made.

- 59           (ii) If the five-year average of gross revenue from sales of liquor calculated under  
60 Subsection (4)(b)(i), as compared to the gross revenue from sales of liquor in fiscal year  
61 2014-2015, does not increase in an amount sufficient to fund the 15% required by Subsection  
62 (4)(b)(i), the Legislature shall appropriate an amount equal to or greater than the amount of:  
63           (A) the amount appropriated to the department in fiscal year 2014-2015 calculated as a  
64 percentage of the gross revenue from sales of liquor; or  
65           (B) the amount of the increase calculated as a percentage of the five-year average of  
66 gross revenue from sales of liquor by the department calculated under Subsection (4)(b)(i)(B).  
67           (c) The department shall use the money appropriated by the Legislature and drawn  
68 from the Liquor Control Fund for the following:  
69           (i) to pay for the general operations of the department and the commission;  
70           (ii) beginning with fiscal year 2016-2017, to raise the minimum salary of part-time  
71 department personnel to at least \$12.00 per hour;  
72           (iii) to increase the salary of assistant store managers in an amount commensurate to  
73 the raise described in Subsection (4)(c)(ii);  
74           (iv) to assign one manager for each state store;  
75           (v) beginning with fiscal year 2016-2017, to maintain at least 50% of the employees of  
76 the department as full-time employees determined on the basis of the employee working 40  
77 hours a week and being eligible for benefits normally provided by the department;  
78           (vi) to provide training for new hires and annual follow-up training for existing state  
79 store employees to enhance recognition of an intoxicated or an underage purchaser of an  
80 alcoholic product;  
81           (vii) to offer to 25% of state store employees on a rotating yearly basis training  
82 concerning knowledge of alcoholic products;  
83           (viii) for fiscal year 2016-2017, to raise the salary of the full-time, as described in  
84 Subsection (4)(c)(v), state store employees by 10%;  
85           (ix) to provide sufficient security for state stores; and  
86           (x) to cover costs incurred by the department for credit card fees, transportation, and  
87 increases in revenue provided to package agencies.  
88           (5) The department shall transfer annually from the Liquor Control Fund and the State  
89 Tax Commission shall transfer annually from the Markup Holding Fund to the General Fund a

90 sum equal to the amount of net profit earned from the sale of liquor since the preceding transfer  
91 of money under this Subsection (5). The transfers shall be calculated by no later than  
92 September 1 and made by no later than September 30 after a fiscal year. The Division of  
93 Finance may make year-end closing entries in the Liquor Control Fund and the Markup  
94 Holding Fund in order to comply with Subsection 51-5-6(2).

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

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

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

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

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

102 (7) If the cash balance of the Liquor Control Fund is not adequate to cover a warrant  
103 drawn against the Liquor Control Fund by the department, the cash resources of the General  
104 Fund may be used to the extent necessary. At no time may the fund equity of the Liquor  
105 Control Fund fall below zero.

106 Section 2. **Effective date.**

107 This bill takes effect on July 1, 2016.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**