

Representative Timothy D. Hawkes proposes the following substitute bill:

ALCOHOL AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Timothy D. Hawkes

Senate Sponsor: Jerry W. Stevenson

LONG TITLE

General Description:

This bill modifies and enacts provisions related to alcohol.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides a tolerance for the alcohol content of beer;
- ▶ modifies which individuals associated with an applicant are subject to a criminal background check by the Alcoholic Beverage Control Commission;
- ▶ amends the deadline for a retail manager or an off-premise retail manager to complete the department's manager training program;
- ▶ clarifies how the department determines eligibility for the small manufacturer markup;
- ▶ prohibits a person from maintaining a minibar in a hotel guest room;
- ▶ authorizes interim alcoholic beverage management agreements and inventory transfer agreements, under certain circumstances;
- ▶ requires each employee of a retail license who sells, offers for sale, or furnishes an alcoholic product to wear an identification badge;
- ▶ allows a retail licensee to unlock a liquor storage area for the purpose of performing



26 inventory, restocking, repairing, or cleaning;

27 ▶ provides that a retail licensee may sell, offer for sale, or furnish beer to a patron in
28 more than one container;

29 ▶ provides that a closing retail licensee may transfer its inventory of alcoholic product
30 to another retail licensee owned by the same person;

31 ▶ permits a minor who is at least 16 years of age and employed by the restaurant to be
32 present in the restaurant's dispensing area;

33 ▶ provides that a performing arts facility may hold an on-premise banquet license;

34 ▶ allows an off-premise beer retailer to sell, offer for sale, or furnish beer through a
35 drive through window;

36 ▶ allows certain manufacturing package agencies to hold an off-premise beer retailer
37 state license for the same premises, provided the licensee only sells beer that is the
38 product of the manufacturing licensee that holds the package agency;

39 ▶ permits a brewery manufacturing licensee to transport beer, heavy beer, or flavored
40 malt beverage between licensed premisses under certain circumstances;

41 ▶ enacts the Liquor Transport License Act, which authorizes the commission to issue
42 liquor transport licenses under which a person may transport liquor from a state
43 store or package agency to a retail licensee; and

44 ▶ makes technical and conforming changes.

45 **Money Appropriated in this Bill:**

46 None

47 **Other Special Clauses:**

48 This bill provides a coordination clause.

49 **Utah Code Sections Affected:**

50 AMENDS:

51 **32B-1-102**, as last amended by Laws of Utah 2018, Chapters 249 and 313

52 **32B-1-305**, as last amended by Laws of Utah 2017, Chapter 455

53 **32B-1-607**, as enacted by Laws of Utah 2010, Chapter 276

54 **32B-2-202**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 7

55 **32B-2-204**, as enacted by Laws of Utah 2010, Chapter 276

56 **32B-2-304**, as last amended by Laws of Utah 2018, Chapters 313, 329, and 415

- 57 **32B-2-605**, as last amended by Laws of Utah 2018, Chapter 249
- 58 **32B-5-102**, as enacted by Laws of Utah 2010, Chapter 276
- 59 **32B-5-207**, as last amended by Laws of Utah 2018, Chapter 249
- 60 **32B-5-301**, as last amended by Laws of Utah 2011, Chapter 334
- 61 **32B-5-303**, as last amended by Laws of Utah 2011, Chapter 307
- 62 **32B-5-304**, as last amended by Laws of Utah 2011, Chapters 307 and 334
- 63 **32B-5-306**, as enacted by Laws of Utah 2010, Chapter 276
- 64 **32B-5-308**, as last amended by Laws of Utah 2018, Chapter 249
- 65 **32B-5-310**, as enacted by Laws of Utah 2010, Chapter 276
- 66 **32B-6-203**, as last amended by Laws of Utah 2017, Chapter 471
- 67 **32B-6-205**, as last amended by Laws of Utah 2018, Chapter 249
- 68 **32B-6-205.2**, as last amended by Laws of Utah 2018, Chapters 249 and 281
- 69 **32B-6-206**, as enacted by Laws of Utah 2013, Chapter 349
- 70 **32B-6-303**, as last amended by Laws of Utah 2017, Chapter 471
- 71 **32B-6-305**, as last amended by Laws of Utah 2018, Chapter 249
- 72 **32B-6-305.2**, as last amended by Laws of Utah 2018, Chapters 249 and 281
- 73 **32B-6-603**, as last amended by Laws of Utah 2016, Chapter 82
- 74 **32B-6-605**, as last amended by Laws of Utah 2018, Chapter 249
- 75 **32B-6-702**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 2
- 76 **32B-6-703**, as last amended by Laws of Utah 2017, Chapter 455
- 77 **32B-6-803**, as last amended by Laws of Utah 2016, Chapter 82
- 78 **32B-6-805**, as last amended by Laws of Utah 2012, Chapter 365
- 79 **32B-6-902**, as last amended by Laws of Utah 2018, Chapters 249 and 281
- 80 **32B-6-903**, as last amended by Laws of Utah 2017, Chapter 471
- 81 **32B-6-905**, as last amended by Laws of Utah 2018, Chapter 249
- 82 **32B-6-905.1**, as last amended by Laws of Utah 2018, Chapters 249 and 281
- 83 **32B-7-202**, as last amended by Laws of Utah 2018, Chapter 249
- 84 **32B-11-503**, as last amended by Laws of Utah 2016, Chapter 266
- 85 **62A-15-401**, as last amended by Laws of Utah 2018, Chapters 249 and 281
- 86 **63I-2-232**, as last amended by Laws of Utah 2018, Chapters 249 and 313

87 ENACTS:

- 88 [32B-7-407](#), Utah Code Annotated 1953
- 89 [32B-7-408](#), Utah Code Annotated 1953
- 90 [32B-17-101](#), Utah Code Annotated 1953
- 91 [32B-17-201](#), Utah Code Annotated 1953
- 92 [32B-17-202](#), Utah Code Annotated 1953
- 93 [32B-17-203](#), Utah Code Annotated 1953
- 94 [32B-17-204](#), Utah Code Annotated 1953
- 95 [32B-17-205](#), Utah Code Annotated 1953
- 96 [32B-17-206](#), Utah Code Annotated 1953
- 97 [32B-17-301](#), Utah Code Annotated 1953
- 98 [32B-17-302](#), Utah Code Annotated 1953

99 RENUMBERS AND AMENDS:

- 100 [32B-1-701](#), (Renumbered from 32B-5-402, as last amended by Laws of Utah 2017,
- 101 Chapter 455)
- 102 [32B-1-702](#), (Renumbered from 32B-5-403, as last amended by Laws of Utah 2017,
- 103 Chapter 455)
- 104 [32B-1-703](#), (Renumbered from 32B-5-404, as last amended by Laws of Utah 2017,
- 105 Chapter 455)
- 106 [32B-1-704](#), (Renumbered from 32B-5-405, as last amended by Laws of Utah 2018,
- 107 Chapter 249)
- 108 [32B-1-705](#), (Renumbered from 32B-5-406, as last amended by Laws of Utah 2018,
- 109 Chapter 249)

110 REPEALS:

- 111 [32B-5-401](#), as enacted by Laws of Utah 2010, Chapter 276

112 **Utah Code Sections Affected by Coordination Clause:**

- 113 [32B-1-102](#), as last amended by Laws of Utah 2018, Chapters 249 and 313
- 114 [63I-2-232](#), as last amended by Laws of Utah 2018, Chapters 249 and 313



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

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

118 **32B-1-102. Definitions.**

119 As used in this title:

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

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

122 (b) that is located at an international airport with a United States Customs office on the

123 premises of the international airport.

124 (2) "Airport lounge license" means a license issued in accordance with Chapter 5,

125 Retail License Act, and Chapter 6, Part 5, Airport Lounge License.

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

127 (a) beer; or

128 (b) liquor.

129 (4) (a) "Alcoholic product" means a product that:

130 (i) contains at least .5% of alcohol by volume; and

131 (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other

132 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol

133 in an amount equal to or greater than .5% of alcohol by volume.

134 (b) "Alcoholic product" includes an alcoholic beverage.

135 (c) "Alcoholic product" does not include any of the following common items that

136 otherwise come within the definition of an alcoholic product:

137 (i) except as provided in Subsection (4)(d), an extract;

138 (ii) vinegar;

139 (iii) preserved nonintoxicating cider;

140 (iv) essence;

141 (v) tincture;

142 (vi) food preparation; or

143 (vii) an over-the-counter medicine.

144 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation

145 when it is used as a flavoring in the manufacturing of an alcoholic product.

146 (5) "Alcohol training and education seminar" means a seminar that is:

147 (a) required by Chapter 5, Part 4, Alcohol Training and Education Act; and

148 (b) described in Section [62A-15-401](#).

149 (6) "Banquet" means ~~an~~ a private event:

150 (a) that is held at one or more designated locations approved by the commission in or
151 on the premises of a:

- 152 (i) hotel;
- 153 (ii) resort facility;
- 154 (iii) sports center; [or]
- 155 (iv) convention center; or
- 156 (v) performing arts facility;

157 (b) for which there is a contract:

158 (i) between a person operating a facility listed in Subsection (6)(a) and another person;
159 and

160 (ii) under which the person operating a facility listed in Subsection (6)(a) is required to
161 provide an alcoholic product at the event; and

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

163 (7) "Bar structure" means a surface or structure on a licensed premises if on or at any
164 place of the surface or structure an alcoholic product is:

- 165 (a) stored; or
- 166 (b) dispensed.

167 (8) (a) "Bar establishment license" means a license issued in accordance with Chapter
168 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.

169 (b) "Bar establishment license" includes:

- 170 (i) a dining club license;
- 171 (ii) an equity license;
- 172 (iii) a fraternal license; or
- 173 (iv) a bar license.

174 (9) "Bar license" means a license issued in accordance with Chapter 5, Retail License
175 Act, and Chapter 6, Part 4, Bar Establishment License.

176 (10) (a) Subject to Subsection (10)(d), "beer" means a product that:

- 177 (i) contains at least .5% of alcohol by volume, but not more than 4% of alcohol by
178 volume or 3.2% by weight; and
- 179 (ii) is obtained by fermentation, infusion, or decoction of malted grain.

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

- 181 (c) "Beer" includes a product that:
- 182 (i) contains alcohol in the percentages described in Subsection (10)(a); and
- 183 (ii) is referred to as:
- 184 (A) beer;
- 185 (B) ale;
- 186 (C) porter;
- 187 (D) stout;
- 188 (E) lager; or
- 189 (F) a malt or malted beverage.
- 190 (d) "Beer" does not include a flavored malt beverage.
- 191 (11) "Beer-only restaurant license" means a license issued in accordance with Chapter
- 192 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.
- 193 (12) "Beer retailer" means a business that:
- 194 (a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
- 195 for consumption on or off the business premises; and
- 196 (b) is licensed as:
- 197 (i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
- 198 Retailer Local Authority; or
- 199 (ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
- 200 Chapter 6, Part 7, On-Premise Beer Retailer License.
- 201 (13) "Beer wholesaling license" means a license:
- 202 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
- 203 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
- 204 retail licensees or off-premise beer retailers.
- 205 (14) "Billboard" means a public display used to advertise, including:
- 206 (a) a light device;
- 207 (b) a painting;
- 208 (c) a drawing;
- 209 (d) a poster;
- 210 (e) a sign;
- 211 (f) a signboard; or

- 212 (g) a scoreboard.
- 213 (15) "Brewer" means a person engaged in manufacturing:
- 214 (a) beer;
- 215 (b) heavy beer; or
- 216 (c) a flavored malt beverage.
- 217 (16) "Brewery manufacturing license" means a license issued in accordance with
- 218 Chapter 11, Part 5, Brewery Manufacturing License.
- 219 (17) "Certificate of approval" means a certificate of approval obtained from the
- 220 department under Section [32B-11-201](#).
- 221 (18) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
- 222 a bus company to a group of persons pursuant to a common purpose:
- 223 (a) under a single contract;
- 224 (b) at a fixed charge in accordance with the bus company's tariff; and
- 225 (c) to give the group of persons the exclusive use of the passenger bus, coach, or other
- 226 motor vehicle, and a driver to travel together to one or more specified destinations.
- 227 (19) "Church" means a building:
- 228 (a) set apart for worship;
- 229 (b) in which religious services are held;
- 230 (c) with which clergy is associated; and
- 231 (d) that is tax exempt under the laws of this state.
- 232 (20) "Commission" means the Alcoholic Beverage Control Commission created in
- 233 Section [32B-2-201](#).
- 234 (21) "Commissioner" means a member of the commission.
- 235 (22) "Community location" means:
- 236 (a) a public or private school;
- 237 (b) a church;
- 238 (c) a public library;
- 239 (d) a public playground; or
- 240 (e) a public park.
- 241 (23) "Community location governing authority" means:
- 242 (a) the governing body of the community location; or

243 (b) if the commission does not know who is the governing body of a community
244 location, a person who appears to the commission to have been given on behalf of the
245 community location the authority to prohibit an activity at the community location.

246 (24) "Container" means a receptacle that contains an alcoholic product, including:

247 (a) a bottle;

248 (b) a vessel; or

249 (c) a similar item.

250 (25) "Convention center" means a facility that is:

251 (a) in total at least 30,000 square feet; and

252 (b) otherwise defined as a "convention center" by the commission by rule.

253 (26) (a) "Counter" means a surface or structure in a dining area of a licensed premises
254 where seating is provided to a patron for service of food.

255 (b) "Counter" does not include a dispensing structure.

256 (27) "Crime involving moral turpitude" is as defined by the commission by rule.

257 [~~(27)~~] (28) "Department" means the Department of Alcoholic Beverage Control created
258 in Section [32B-2-203](#).

259 [~~(28)~~] (29) "Department compliance officer" means an individual who is:

260 (a) an auditor or inspector; and

261 (b) employed by the department.

262 [~~(29)~~] (30) "Department sample" means liquor that is placed in the possession of the
263 department for testing, analysis, and sampling.

264 [~~(30)~~] (31) "Dining club license" means a license issued in accordance with Chapter 5,
265 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
266 commission as a dining club license.

267 [~~(31)~~] (32) "Director," unless the context requires otherwise, means the director of the
268 department.

269 [~~(32)~~] (33) "Disciplinary proceeding" means an adjudicative proceeding permitted
270 under this title:

271 (a) against a person subject to administrative action; and

272 (b) that is brought on the basis of a violation of this title.

273 [~~(33)~~] (34) (a) Subject to Subsection [~~(33)~~] (34)(b), "dispense" means:

- 274 (i) drawing an alcoholic product; and
275 (ii) using the alcoholic product at the location from which it was drawn to mix or
276 prepare an alcoholic product to be furnished to a patron of the retail licensee.
- 277 (b) The definition of "dispense" in this Subsection [~~(33)~~] (34) applies only to:
- 278 (i) a full-service restaurant license;
279 (ii) a limited-service restaurant license;
280 (iii) a reception center license; and
281 (iv) a beer-only restaurant license.
- 282 [~~(34)~~] (35) "Dispensing structure" means a surface or structure on a licensed premises:
283 (a) where an alcoholic product is dispensed; or
284 (b) from which an alcoholic product is served.
- 285 [~~(35)~~] (36) "Distillery manufacturing license" means a license issued in accordance
286 with Chapter 11, Part 4, Distillery Manufacturing License.
- 287 [~~(36)~~] (37) "Distressed merchandise" means an alcoholic product in the possession of
288 the department that is saleable, but for some reason is unappealing to the public.
- 289 [~~(37)~~] (38) "Educational facility" includes:
290 (a) a nursery school;
291 (b) an infant day care center; and
292 (c) a trade and technical school.
- 293 [~~(38)~~] (39) "Equity license" means a license issued in accordance with Chapter 5,
294 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
295 commission as an equity license.
- 296 [~~(39)~~] (40) "Event permit" means:
297 (a) a single event permit; or
298 (b) a temporary beer event permit.
- 299 [~~(40)~~] (41) "Exempt license" means a license exempt under Section 32B-1-201 from
300 being considered in determining the total number of retail licenses that the commission may
301 issue at any time.
- 302 [~~(41)~~] (42) (a) "Flavored malt beverage" means a beverage:
303 (i) that contains at least .5% alcohol by volume;
304 (ii) that is treated by processing, filtration, or another method of manufacture that is not

305 generally recognized as a traditional process in the production of a beer as described in 27
306 C.F.R. Sec. 25.55;

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

309 (iv) (A) for which the producer is required to file a formula for approval with the
310 federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or

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

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

313 ~~[(42)]~~ (43) "Fraternal license" means a license issued in accordance with Chapter 5,
314 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
315 commission as a fraternal license.

316 ~~[(43)]~~ (44) "Full-service restaurant license" means a license issued in accordance with
317 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.

318 ~~[(44)]~~ (45) (a) "Furnish" means by any means to provide with, supply, or give an
319 individual an alcoholic product, by sale or otherwise.

320 (b) "Furnish" includes to:

321 (i) serve;

322 (ii) deliver; or

323 (iii) otherwise make available.

324 ~~[(45)]~~ (46) "Guest" means an individual who meets the requirements of Subsection
325 [32B-6-407\(9\)](#).

326 ~~[(46)]~~ (47) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.

327 ~~[(47)]~~ (48) "Health care practitioner" means:

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

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

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

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

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

335 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy

336 Practice Act;

337 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational

338 Therapy Practice Act;

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

340 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health

341 Professional Practice Act;

342 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;

343 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical

344 Practice Act;

345 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental

346 Hygienist Practice Act; and

347 (m) a physician assistant licensed under Title 58, Chapter 70a, Physician Assistant Act.

348 [~~48~~] (49) (a) "Heavy beer" means a product that:

349 (i) contains more than 4% alcohol by volume; and

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

351 (b) "Heavy beer" is considered liquor for the purposes of this title.

352 [~~49~~] "Hotel" is as defined by the commission by rule.]

353 (50) "Hotel" means a commercial lodging establishment that:

354 (a) offers at least 30 temporary sleeping accommodations for compensation;

355 (b) is capable of hosting conventions, conferences, and food and beverage functions

356 under a banquet contract; and

357 (c) (i) has adequate kitchen or culinary facilities on the premises to provide complete

358 meals; or

359 (ii) (A) has at least 1,000 square feet of function space consisting of meeting or dining

360 rooms that can be reserved for private use under a banquet contract that can accommodate a

361 least 75 individuals; or

362 (B) if the establishment is located in a small or unincorporated locality, has an

363 appropriate amount of function space consisting of meeting or dining rooms that can be

364 reserved for private use under a banquet contract, as determined by the commission.

365 [~~50~~] (51) "Hotel license" means a license issued in accordance with Chapter 5, Retail

366 License Act, and Chapter 8b, Hotel License Act.

367 [~~(51)~~] (52) "Identification card" means an identification card issued under Title 53,
368 Chapter 3, Part 8, Identification Card Act.

369 [~~(52)~~] (53) "Industry representative" means an individual who is compensated by
370 salary, commission, or other means for representing and selling an alcoholic product of a
371 manufacturer, supplier, or importer of liquor.

372 [~~(53)~~] (54) "Industry representative sample" means liquor that is placed in the
373 possession of the department for testing, analysis, and sampling by a local industry
374 representative on the premises of the department to educate the local industry representative of
375 the quality and characteristics of the product.

376 [~~(54)~~] (55) "Interdicted person" means a person to whom the sale, offer for sale, or
377 furnishing of an alcoholic product is prohibited by:

378 (a) law; or

379 (b) court order.

380 [~~(55)~~] (56) "Intoxicated" means that a person:

381 (a) is significantly impaired as to the person's mental or physical functions as a result of
382 the use of:

383 (i) an alcoholic product;

384 (ii) a controlled substance;

385 (iii) a substance having the property of releasing toxic vapors; or

386 (iv) a combination of Subsections [~~(55)~~] (56)(a)(i) through (iii); and

387 (b) exhibits plain and easily observed outward manifestations of behavior or physical
388 signs produced by the overconsumption of an alcoholic product.

389 [~~(56)~~] (57) "Investigator" means an individual who is:

390 (a) a department compliance officer; or

391 (b) a nondepartment enforcement officer.

392 [~~(57)~~] (58) "Invitee" means the same as that term is defined in Section [32B-8-102](#).

393 [~~(58)~~] (59) "License" means:

394 (a) a retail license;

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

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

398 [or]

399 (d) a license issued in accordance with Chapter 13, Beer Wholesaling License Act[-];

400 or

401 (e) a license issued in accordance with Chapter 17, Liquor Transport License Act.

402 [~~(59)~~] (60) "Licensee" means a person who holds a license.

403 [~~(60)~~] (61) "Limited-service restaurant license" means a license issued in accordance
404 with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.

405 [~~(61)~~] (62) "Limousine" means a motor vehicle licensed by the state or a local
406 authority, other than a bus or taxicab:

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

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

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

413 [~~(62)~~] (63) (a) (i) "Liquor" means a liquid that:

414 (A) is:

415 (I) alcohol;

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

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

418 (IV) other drink or drinkable liquid; and

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

420 (II) is suitable to use for beverage purposes.

421 (ii) "Liquor" includes:

422 (A) heavy beer;

423 (B) wine; and

424 (C) a flavored malt beverage.

425 (b) "Liquor" does not include beer.

426 [~~(63)~~] (64) "Liquor Control Fund" means the enterprise fund created by Section
427 [32B-2-301](#).

428 (65) "Liquor transport license" means a license issued in accordance with Chapter 17,

429 Liquor Transport License Act.430 [~~(64)~~] (66) "Liquor warehousing license" means a license that is issued:

431 (a) in accordance with Chapter 12, Liquor Warehousing License Act; and

432 (b) to a person, other than a licensed manufacturer, who engages in the importation for
433 storage, sale, or distribution of liquor regardless of amount.434 [~~(65)~~] (67) "Local authority" means:435 (a) for premises that are located in an unincorporated area of a county, the governing
436 body of a county; or437 (b) for premises that are located in an incorporated city, town, or metro township, the
438 governing body of the city, town, or metro township.439 [~~(66)~~] (68) "Lounge or bar area" is as defined by rule made by the commission.440 [~~(67)~~] (69) "Manufacture" means to distill, brew, rectify, mix, compound, process,
441 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to
442 others.443 [~~(68)~~] (70) "Member" means an individual who, after paying regular dues, has full
444 privileges in an equity licensee or fraternal licensee.445 [~~(69)~~] (71) (a) "Military installation" means a base, air field, camp, post, station, yard,
446 center, or homeport facility for a ship:

447 (i) (A) under the control of the United States Department of Defense; or

448 (B) of the National Guard;

449 (ii) that is located within the state; and

450 (iii) including a leased facility.

451 (b) "Military installation" does not include a facility used primarily for:

452 (i) civil works;

453 (ii) a rivers and harbors project; or

454 (iii) a flood control project.

455 (72) "Minibar" means an area of a hotel guest room where one or more alcoholic
456 products are kept and offered for self-service sale or consumption.457 [~~(70)~~] (73) "Minor" means an individual under the age of 21 years.458 [~~(71)~~] (74) "Nondepartment enforcement agency" means an agency that:

459 (a) (i) is a state agency other than the department; or

- 460 (ii) is an agency of a county, city, town, or metro township; and
- 461 (b) has a responsibility to enforce one or more provisions of this title.
- 462 [~~(72)~~] (75) "Nondepartment enforcement officer" means an individual who is:
- 463 (a) a peace officer, examiner, or investigator; and
- 464 (b) employed by a nondepartment enforcement agency.
- 465 [~~(73)~~] (76) (a) "Off-premise beer retailer" means a beer retailer who is:
- 466 (i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and
- 467 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
- 468 premises.
- 469 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.
- 470 [~~(74)~~] (77) "Off-premise beer retailer state license" means a state license issued in
- 471 accordance with Chapter 7, Part 4, Off-Premise Beer Retailer State License.
- 472 [~~(75)~~] (78) "On-premise banquet license" means a license issued in accordance with
- 473 Chapter 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.
- 474 [~~(76)~~] (79) "On-premise beer retailer" means a beer retailer who is:
- 475 (a) authorized to sell, offer for sale, or furnish beer under a license issued in
- 476 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer
- 477 Retailer License; and
- 478 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's
- 479 premises:
- 480 (i) regardless of whether the beer retailer sells beer for consumption off the licensed
- 481 premises; and
- 482 (ii) on and after March 1, 2012, operating:
- 483 (A) as a tavern; or
- 484 (B) in a manner that meets the requirements of Subsection [32B-6-703\(2\)\(e\)\(i\)](#).
- 485 [~~(77)~~] (80) "Opaque" means impenetrable to sight.
- 486 [~~(78)~~] (81) "Package agency" means a retail liquor location operated:
- 487 (a) under an agreement with the department; and
- 488 (b) by a person:
- 489 (i) other than the state; and
- 490 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package

491 Agency, to sell packaged liquor for consumption off the premises of the package agency.

492 [~~(79)~~] (82) "Package agent" means a person who holds a package agency.

493 [~~(80)~~] (83) "Patron" means an individual to whom food, beverages, or services are sold,
494 offered for sale, or furnished, or who consumes an alcoholic product including:

495 (a) a customer;

496 (b) a member;

497 (c) a guest;

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

499 (e) an individual who receives room service;

500 (f) a resident of a resort;

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

502 or

503 (h) an invitee.

504 (84) (a) "Performing arts facility" means a multi-use performance space that:

505 (i) is primarily used to present various types of performing arts, including dance,
506 music, and theater;

507 (ii) contains over 2,500 seats;

508 (iii) is owned and operated by a governmental entity; and

509 (iv) is located in a city of the first class.

510 (b) "Performing arts facility" does not include a space that is used to present sporting
511 events or sporting competitions.

512 [~~(81)~~] (85) "Permittee" means a person issued a permit under:

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

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

515 [~~(82)~~] (86) "Person subject to administrative action" means:

516 (a) a licensee;

517 (b) a permittee;

518 (c) a manufacturer;

519 (d) a supplier;

520 (e) an importer;

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

- 522 (i) an out-of-state brewer;
- 523 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
- 524 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or
- 525 (g) staff of:
- 526 (i) a person listed in Subsections [~~(82)~~] (86)(a) through (f); or
- 527 (ii) a package agent.
- 528 [~~(83)~~] (87) "Premises" means a building, enclosure, or room used in connection with
- 529 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic
- 530 product, unless otherwise defined in this title or rules made by the commission.
- 531 [~~(84)~~] (88) "Prescription" means an order issued by a health care practitioner when:
- 532 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,
- 533 to prescribe a controlled substance, other drug, or device for medicinal purposes;
- 534 (b) the order is made in the course of that health care practitioner's professional
- 535 practice; and
- 536 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.
- 537 [~~(85)~~] (89) (a) "Private event" means a specific social, business, or recreational event:
- 538 (i) for which an entire room, area, or hall is leased or rented in advance by an identified
- 539 group; and
- 540 (ii) that is limited in attendance to people who are specifically designated and their
- 541 guests.
- 542 (b) "Private event" does not include an event to which the general public is invited,
- 543 whether for an admission fee or not.
- 544 [~~(86)~~] (90) (a) "Proof of age" means:
- 545 (i) an identification card;
- 546 (ii) an identification that:
- 547 (A) is substantially similar to an identification card;
- 548 (B) is issued in accordance with the laws of a state other than Utah in which the
- 549 identification is issued;
- 550 (C) includes date of birth; and
- 551 (D) has a picture affixed;
- 552 (iii) a valid driver license certificate that:

- 553 (A) includes date of birth;
- 554 (B) has a picture affixed; and
- 555 (C) is issued:
 - 556 (I) under Title 53, Chapter 3, Uniform Driver License Act; or
 - 557 (II) in accordance with the laws of the state in which it is issued;
 - 558 (iv) a military identification card that:
 - 559 (A) includes date of birth; and
 - 560 (B) has a picture affixed; or
 - 561 (v) a valid passport.
 - 562 (b) "Proof of age" does not include a driving privilege card issued in accordance with

563 Section [53-3-207](#).

564 ~~[(87)]~~ [\(91\)](#) (a) "Public building" means a building or permanent structure that is:

- 565 (i) owned or leased by:
 - 566 (A) the state; or
 - 567 (B) a local government entity; and
- 568 (ii) used for:
 - 569 (A) public education;
 - 570 (B) transacting public business; or
 - 571 (C) regularly conducting government activities.

572 (b) "Public building" does not include a building owned by the state or a local
573 government entity when the building is used by a person, in whole or in part, for a proprietary
574 function.

575 ~~[(88)]~~ [\(92\)](#) "Public conveyance" means a conveyance that the public or a portion of the
576 public has access to and a right to use for transportation, including an airline, railroad, bus,
577 boat, or other public conveyance.

578 ~~[(89)]~~ [\(93\)](#) "Reception center" means a business that:

- 579 (a) operates facilities that are at least 5,000 square feet; and
- 580 (b) has as its primary purpose the leasing of the facilities described in Subsection ~~[(89)]~~
581 [\(93\)](#)(a) to a third party for the third party's event.

582 ~~[(90)]~~ [\(94\)](#) "Reception center license" means a license issued in accordance with
583 Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.

- 584 [~~(91)~~] (95) (a) "Record" means information that is:
- 585 (i) inscribed on a tangible medium; or
- 586 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.
- 587 (b) "Record" includes:
- 588 (i) a book;
- 589 (ii) a book of account;
- 590 (iii) a paper;
- 591 (iv) a contract;
- 592 (v) an agreement;
- 593 (vi) a document; or
- 594 (vii) a recording in any medium.
- 595 [~~(92)~~] (96) "Residence" means a person's principal place of abode within Utah.
- 596 [~~(93)~~] (97) "Resident," in relation to a resort, means the same as that term is defined in
- 597 Section 32B-8-102.
- 598 [~~(94)~~] (98) "Resort" means the same as that term is defined in Section 32B-8-102.
- 599 [~~(95)~~] (99) "Resort facility" is as defined by the commission by rule.
- 600 [~~(96)~~] (100) "Resort license" means a license issued in accordance with Chapter 5,
- 601 Retail License Act, and Chapter 8, Resort License Act.
- 602 [~~(97)~~] (101) "Responsible alcohol service plan" means a written set of policies and
- 603 procedures that outlines measures to prevent employees from:
- 604 (a) over-serving alcoholic beverages to customers;
- 605 (b) serving alcoholic beverages to customers who are actually, apparently, or obviously
- 606 intoxicated; and
- 607 (c) serving alcoholic beverages to minors.
- 608 [~~(98)~~] (102) "Restaurant" means a business location:
- 609 (a) at which a variety of foods are prepared;
- 610 (b) at which complete meals are served; and
- 611 (c) that is engaged primarily in serving meals.
- 612 [~~(99)~~] (103) "Retail license" means one of the following licenses issued under this title:
- 613 (a) a full-service restaurant license;
- 614 (b) a master full-service restaurant license;

- 615 (c) a limited-service restaurant license;
- 616 (d) a master limited-service restaurant license;
- 617 (e) a bar establishment license;
- 618 (f) an airport lounge license;
- 619 (g) an on-premise banquet license;
- 620 (h) an on-premise beer license;
- 621 (i) a reception center license;
- 622 (j) a beer-only restaurant license;
- 623 (k) a resort license; or
- 624 (l) a hotel license.

625 ~~[(100)]~~ (104) "Room service" means furnishing an alcoholic product to a person in a
626 guest room of a:

- 627 (a) hotel; or
- 628 (b) resort facility.

629 ~~[(101)]~~ (105) (a) "School" means a building used primarily for the general education of
630 minors.

631 (b) "School" does not include an educational facility.

632 ~~[(102)]~~ (106) "Sell" or "offer for sale" means a transaction, exchange, or barter
633 whereby, for consideration, an alcoholic product is either directly or indirectly transferred,
634 solicited, ordered, delivered for value, or by a means or under a pretext is promised or
635 obtained, whether done by a person as a principal, proprietor, or as staff, unless otherwise
636 defined in this title or the rules made by the commission.

637 ~~[(103)]~~ (107) "Serve" means to place an alcoholic product before an individual.

638 ~~[(104)]~~ (108) "Sexually oriented entertainer" means a person who while in a state of
639 seminudity appears at or performs:

- 640 (a) for the entertainment of one or more patrons;
- 641 (b) on the premises of:
 - 642 (i) a bar licensee; or
 - 643 (ii) a tavern;
- 644 (c) on behalf of or at the request of the licensee described in Subsection ~~[(104)]~~
645 (108)(b);

646 (d) on a contractual or voluntary basis; and

647 (e) whether or not the person is designated as:

648 (i) an employee;

649 (ii) an independent contractor;

650 (iii) an agent of the licensee; or

651 (iv) a different type of classification.

652 ~~[(105)]~~ (109) "Single event permit" means a permit issued in accordance with Chapter
653 9, Part 3, Single Event Permit.

654 ~~[(106)]~~ (110) "Small brewer" means a brewer who manufactures less than 60,000
655 barrels of beer, heavy beer, and flavored malt beverages per year.

656 (111) "Small or unincorporated locality" means:

657 (a) a city of the third, fourth, or fifth class, as classified under Section [10-2-301](#);

658 (b) a town, as classified under Section [10-2-301](#); or

659 (c) an unincorporated area in a county of the third, fourth, or fifth class, as classified
660 under Section [17-50-501](#).

661 ~~[(107)]~~ (112) "Special use permit" means a permit issued in accordance with Chapter
662 10, Special Use Permit Act.

663 ~~[(108)]~~ (113) (a) "Spirituous liquor" means liquor that is distilled.

664 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
665 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

666 ~~[(109)]~~ (114) "Sports center" is as defined by the commission by rule.

667 ~~[(110)]~~ (115) (a) "Staff" means an individual who engages in activity governed by this
668 title:

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

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

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

675 (b) "Staff" includes:

676 (i) an officer;

- 677 (ii) a director;
- 678 (iii) an employee;
- 679 (iv) personnel management;
- 680 (v) an agent of the licensee, including a managing agent;
- 681 (vi) an operator; or
- 682 (vii) a representative.

683 [~~H1~~] (116) "State of nudity" means:

- 684 (a) the appearance of:
 - 685 (i) the nipple or areola of a female human breast;
 - 686 (ii) a human genital;
 - 687 (iii) a human pubic area; or
 - 688 (iv) a human anus; or
- 689 (b) a state of dress that fails to opaquely cover:
 - 690 (i) the nipple or areola of a female human breast;
 - 691 (ii) a human genital;
 - 692 (iii) a human pubic area; or
 - 693 (iv) a human anus.

694 [~~H2~~] (117) "State of seminudity" means a state of dress in which opaque clothing
695 covers no more than:

- 696 (a) the nipple and areola of the female human breast in a shape and color other than the
697 natural shape and color of the nipple and areola; and
- 698 (b) the human genitals, pubic area, and anus:
 - 699 (i) with no less than the following at its widest point:
 - 700 (A) four inches coverage width in the front of the human body; and
 - 701 (B) five inches coverage width in the back of the human body; and
 - 702 (ii) with coverage that does not taper to less than one inch wide at the narrowest point.

703 [~~H3~~] (118) (a) "State store" means a facility for the sale of packaged liquor:

- 704 (i) located on premises owned or leased by the state; and
- 705 (ii) operated by a state employee.
- 706 (b) "State store" does not include:
 - 707 (i) a package agency;

708 (ii) a licensee; or

709 (iii) a permittee.

710 [~~(114)~~] (119) (a) "Storage area" means an area on licensed premises where the licensee
711 stores an alcoholic product.

712 (b) "Store" means to place or maintain in a location an alcoholic product.

713 [~~(115)~~] (120) "Sublicense" means the same as that term is defined in Section
714 32B-8-102 or 32B-8b-102.

715 [~~(116)~~] (121) "Supplier" means a person who sells an alcoholic product to the
716 department.

717 [~~(117)~~] (122) "Tavern" means an on-premise beer retailer who is:

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

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

722 [~~(118)~~] (123) "Temporary beer event permit" means a permit issued in accordance with
723 Chapter 9, Part 4, Temporary Beer Event Permit.

724 [~~(119)~~] (124) "Temporary domicile" means the principal place of abode within Utah of
725 a person who does not have a present intention to continue residency within Utah permanently
726 or indefinitely.

727 [~~(120)~~] (125) "Translucent" means a substance that allows light to pass through, but
728 does not allow an object or person to be seen through the substance.

729 [~~(121)~~] (126) "Unsaleable liquor merchandise" means a container that:

730 (a) is unsaleable because the container is:

731 (i) unlabeled;

732 (ii) leaky;

733 (iii) damaged;

734 (iv) difficult to open; or

735 (v) partly filled;

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

737 (ii) has contents that are:

738 (A) cloudy;

- 739 (B) spoiled; or
740 (C) chemically determined to be impure; or
741 (iii) contains:
742 (A) sediment; or
743 (B) a foreign substance; or
744 (c) is otherwise considered by the department as unfit for sale.
- 745 ~~[(+22)]~~ (127) (a) "Wine" means an alcoholic product obtained by the fermentation of
746 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or
747 not another ingredient is added.
- 748 (b) "Wine" includes:
749 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.
750 4.10; and
751 (ii) hard cider.
752 (c) "Wine" is considered liquor for purposes of this title, except as otherwise provided
753 in this title.
- 754 ~~[(+23)]~~ (128) "Winery manufacturing license" means a license issued in accordance
755 with Chapter 11, Part 3, Winery Manufacturing License.
- 756 Section 2. Section **32B-1-305** is amended to read:
757 **32B-1-305. Requirement for a background check.**
- 758 (1) The department shall require an individual listed in Subsection (2), in accordance
759 with this part, to:
760 (a) provide a signed waiver from the individual whose fingerprints may be registered in
761 the Federal Bureau of Investigation Rap Back system that notifies the signee:
762 (i) that a criminal history background check will be conducted;
763 (ii) who will see the information; and
764 (iii) how the information will be used;
765 (b) submit to a background check in a form acceptable to the department; and
766 (c) consent to a background check by:
767 (i) the Utah Bureau of Criminal Identification; and
768 (ii) the Federal Bureau of Investigation.
769 (2) The following shall comply with Subsection (1):

- 770 (a) an individual applying for employment with the department if:
- 771 (i) the department makes the decision to offer the individual employment with the
- 772 department; and
- 773 (ii) once employed, the individual will receive benefits;
- 774 (b) an individual applying to the commission to operate a package agency;
- 775 (c) an individual applying to the commission for a license, unless the license is an
- 776 off-premise beer retailer state license;
- 777 (d) an individual who with regard to an entity that is applying to the commission to
- 778 operate a package agency or for a license is:
- 779 (i) a partner;
- 780 (ii) a managing agent;
- 781 (iii) a manager;
- 782 (iv) an officer;
- 783 (v) a director;
- 784 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of a
- 785 corporation;
- 786 (vii) a member who owns at least 20% of a limited liability company; or
- 787 (viii) an individual employed to act in a supervisory or managerial capacity; or
- 788 (e) an individual who becomes involved with an entity that operates a package agency
- 789 or holds a license, if the individual is in a capacity listed in Subsection (2)(d) on or after the day
- 790 on which the entity:
- 791 (i) is approved to operate a package agency; or
- 792 (ii) is licensed by the commission.
- 793 (3) (a) Except as provided in Subsection (3)(b), the commission may not require an
- 794 individual to comply with Subsection (1) based on the individual's position with or ownership
- 795 interest in an entity that has an ownership interest in the entity that is applying for the package
- 796 agency or license.
- 797 (b) The commission may require an individual described in Subsection (3)(a) to
- 798 comply with Subsection (1) if the individual exercises direct decision making control over the
- 799 day-to-day operations of the licensee.
- 800 [~~3~~] (4) The department shall require compliance with Subsection (2)(e) as a condition

801 of an entity's:

802 (a) continued operation of a package agency; or

803 (b) renewal of a license.

804 ~~[(4)]~~ (5) The department may require as a condition of continued employment that a
805 department employee:

806 (a) submit to a background check in a form acceptable to the department; and

807 (b) consent to a fingerprint criminal background check by:

808 (i) the Utah Bureau of Criminal Identification; and

809 (ii) the Federal Bureau of Investigation.

810 Section 3. Section **32B-1-607** is amended to read:

811 **32B-1-607. Rulemaking authority.**

812 (1) The commission may adopt rules necessary to implement this part.

813 (2) Notwithstanding Subsections 32B-1-102(10) and (49), in accordance with Title
814 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules that
815 allow for a tolerance in the alcohol content of beer or heavy beer as follows:

816 (a) up to 0.18% above or below when measured by volume; or

817 (b) up to 0.15% above or below when measured by weight.

818 Section 4. Section **32B-1-701**, which is renumbered from Section 32B-5-402 is
819 renumbered and amended to read:

820 **Part 7. Alcohol Training and Education Act**

821 ~~[32B-5-402].~~ **32B-1-701. Definitions.**

822 As used in this part:

823 (1) "Off-premise retail manager" means an individual who~~[:-(a)]~~ manages operations at
824 a premises that is licensed under Chapter 7, Off-Premise Beer Retailer Act~~[:or]~~.

825 ~~[(b) supervises the sale of beer at a premises that is licensed under Chapter 7,~~
826 ~~Off-Premise Beer Retailer Act.]~~

827 (2) (a) "Off-premise retail staff" means an individual who sells beer at a premises that
828 is licensed under Chapter 7, Off-Premise Beer Retailer Act.

829 (b) "Off-premise retail staff" does not include an off-premise retail manager.

830 (3) "Retail manager" means an individual who:

831 (a) manages operations at a premises that is licensed under this chapter; or

832 (b) supervises the furnishing of an alcoholic product at a premises that is licensed
833 under this chapter.

834 (4) (a) "Retail staff" means an individual who serves an alcoholic product at a premises
835 licensed under this chapter.

836 (b) "Retail staff" does not include a retail manager.

837 Section 5. Section **32B-1-702**, which is renumbered from Section 32B-5-403 is
838 renumbered and amended to read:

839 ~~[32B-5-403]~~. **32B-1-702. Alcohol training and education -- Revocation,**
840 **suspension, or nonrenewal of retail license.**

841 (1) The commission may suspend, revoke, or not renew a license of a retail licensee if
842 any of the following individuals fail to complete an alcohol training and education seminar:

843 (a) a retail manager; or

844 (b) retail staff.

845 (2) A city, town, metro township, or county in which a retail licensee conducts
846 business may suspend, revoke, or not renew the business license of the retail licensee if a retail
847 manager or retail staff fails to complete an alcohol training and education seminar.

848 (3) A local authority that issues an off-premise beer retailer license to a business that is
849 engaged in the retail sale of beer for consumption off the beer retailer's premises may
850 immediately suspend the off-premise beer retailer license if any of the following individuals
851 fails to complete an alcohol training and education seminar:

852 (a) an off-premise retail manager; or

853 (b) off-premise retail staff.

854 Section 6. Section **32B-1-703**, which is renumbered from Section 32B-5-404 is
855 renumbered and amended to read:

856 ~~[32B-5-404]~~. **32B-1-703. Alcohol training and education for off-premise**
857 **consumption.**

858 (1) (a) A local authority that issues an off-premise beer retailer license to a business to
859 sell beer at retail for off-premise consumption shall require the following to have a valid record
860 that the individual completed an alcohol training and education seminar in the time periods
861 required by Subsection (1)(b):

862 (i) an off-premise retail manager; or

863 (ii) off-premise retail staff.

864 (b) If an individual on the date the individual becomes staff to an off-premise beer
865 retailer does not have a valid record that the individual has completed an alcohol training and
866 education seminar for purposes of this part, the individual shall complete an alcohol training
867 and education seminar within 30 days of the day on which the individual becomes staff of an
868 off-premise beer retailer.

869 (c) Section [62A-15-401](#) governs the validity of a record that an individual has
870 completed an alcohol training and education seminar required by this part.

871 (2) In accordance with Section [~~32B-5-403~~] [32B-1-702](#), a local authority may
872 immediately suspend the license of an off-premise beer retailer that allows an individual to
873 work as an off-premise retail manager without having a valid record that the individual
874 completed an alcohol training and education seminar in accordance with Subsection (1).

875 Section 7. Section **32B-1-704**, which is renumbered from Section 32B-5-405 is
876 renumbered and amended to read:

877 ~~[32B-5-405].~~ **32B-1-704. Department training programs.**

878 (1) No later than January 1, 2018, the department shall develop the following training
879 programs that are provided either in-person or online:

880 (a) a training program for retail managers that addresses:

881 (i) the statutes and rules that govern alcohol sales and consumption in the state;

882 (ii) the requirements for operating as a retail licensee;

883 (iii) using compliance assistance from the department; and

884 (iv) any other topic the department determines beneficial to a retail manager; and

885 (b) a training program for an individual employed by a retail licensee or an off-premise
886 beer retailer who violates a provision of this title related to the sale, service, or furnishing of an
887 alcoholic beverage to an intoxicated individual or a minor, that addresses:

888 (i) the statutes and rules that govern the most common types of violations under this
889 title;

890 (ii) how to avoid common violations; and

891 (iii) any other topic the department determines beneficial to the training program.

892 (2) No later than January 1, 2019, the department shall develop a training program for
893 off-premise retail managers that is provided either in-person or online and addresses:

- 894 (a) the statutes and rules that govern sales at an off-premise beer retailer;
- 895 (b) the requirements for operating an off-premise beer retailer;
- 896 (c) using compliance assistance from the department; and
- 897 (d) any other topic the department determines beneficial to an off-premise retail
- 898 manager.

899 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
900 the provisions of this section, the department shall make rules to develop and implement the
901 training programs described in this section, including rules that establish:

- 902 (a) the requirements for each training program described in this section;
- 903 (b) measures that accurately identify each individual who takes and completes a
- 904 training program;
- 905 (c) measures that ensure an individual taking a training program is focused and actively
- 906 engaged in the training material throughout the training program;
- 907 (d) a record that certifies that an individual has completed a training program; and
- 908 (e) a fee for participation in a training program to cover the department's cost of
- 909 providing the training program.

910 (4) (a) Except as provided in Subsection (5), each retail manager shall complete the
911 training described in Subsection (1)(a) no later than the ~~earlier~~ later of:

- 912 (i) 30 days after the day on which the retail manager is hired; or
- 913 (ii) ~~before~~ 30 days after the day on which the retail licensee obtains a retail license
- 914 under this chapter.

915 (b) Except as provided in Subsection (5), each off-premise retail manager shall
916 complete the training described in Subsection (2) no later than the ~~earlier~~ later of:

- 917 (i) 30 days after the day on which the off-premise retail manager is hired; or
- 918 (ii) ~~before~~ 30 days after the day on which the off-premise beer retailer obtains an
- 919 off-premise beer retailer state license.

920 (c) (i) If the commission finds that a retail licensee violated a provision of this title
921 related to the sale, service, or furnishing of an alcoholic beverage to an intoxicated individual
922 or a minor for a second time within 36 consecutive months after the day on which the first
923 violation was adjudicated, the violator, all retail staff, and each retail manager shall complete
924 the training program described in Subsection (1)(b).

925 (ii) If the commission finds that an off-premise beer retailer violated a provision of this
926 title related to the sale, service, or furnishing of an alcoholic beverage to an intoxicated
927 individual or a minor for a second time within 36 consecutive months after the day on which
928 the first violation was adjudicated, the violator and each off-premise retail manager shall
929 complete the training program described in Subsection (1)(b).

930 (5) (a) For a person who holds a retail license on January 1, 2018, each retail manager
931 shall complete the training program described in Subsection (1)(a) for the first time as a
932 condition of renewing the licensee's retail license in 2018.

933 (b) For a person who holds an off-premise beer retailer state license on January 1,
934 2019, each off-premise retail manager shall complete the training program described in
935 Subsection (1)(b) for the first time as a condition of renewing the licensee's off-premise beer
936 retailer state license in 2019.

937 (6) If an individual fails to complete a required training program under this section:

938 (a) the commission may suspend, revoke, or not renew the retail license or off-premise
939 beer retailer state license;

940 (b) a city, town, metro township, or county in which the retail licensee or off-premise
941 beer retailer is located may suspend, revoke, or not renew the retail licensee's or off-premise
942 beer retailer's business license; or

943 (c) a local authority may suspend, revoke, or not renew the off-premise beer retailer's
944 license.

945 Section 8. Section **32B-1-705**, which is renumbered from Section 32B-5-406 is
946 renumbered and amended to read:

947 ~~[32B-5-406]~~. **32B-1-705. Tracking certain enforcement actions.**

948 (1) For each violation of a provision of this title involving the sale of an alcoholic
949 product to a minor that staff of a retail licensee commits, the commission shall:

950 (a) maintain a record of the violation until the record is expunged in accordance with
951 Subsection (3);

952 (b) include in the record described in Subsection (1)(a):

953 (i) the name of the individual who committed the violation;

954 (ii) the name of the retail licensee; and

955 (iii) the date of the adjudication of the violation; and

956 (c) provide the information described in Subsection (1)(b) to the Department of Public
957 Safety within 30 days after the day on which the violation is adjudicated.

958 (2) (a) The Department of Public Safety shall develop and operate a system to collect,
959 analyze, maintain, track, and disseminate the information that the Department of Public Safety
960 receives in accordance with Subsection (1).

961 (b) The Department of Public Safety shall make the system described in Subsection
962 (2)(a) available to:

963 (i) assist the commission in assessing penalties under this title; and

964 (ii) inform a retail licensee of an individual who has a violation history in the system.

965 (3) The commission and the Department of Public Safety shall expunge each record in
966 the system described in Subsection (2) that relates to an individual if the individual does not
967 violate a provision of this title related to the sale of an alcoholic product to a minor for a period
968 of 36 consecutive months from the day on which the individual's last violation related to the
969 sale of an alcoholic product to a minor was adjudicated.

970 Section 9. Section **32B-2-202** is amended to read:

971 **32B-2-202. Powers and duties of the commission.**

972 (1) The commission shall:

973 (a) consistent with the policy established by the Legislature by statute, act as a general
974 policymaking body on the subject of alcoholic product control;

975 (b) adopt and issue policies, rules, and procedures;

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

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

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

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

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

985 (i) a package agency;

986 (ii) a full-service restaurant license;

- 987 (iii) a master full-service restaurant license;
- 988 (iv) a limited-service restaurant license;
- 989 (v) a master limited-service restaurant license;
- 990 (vi) a bar establishment license;
- 991 (vii) an airport lounge license;
- 992 (viii) an on-premise banquet license;
- 993 (ix) a resort license, under which at least four or more sublicenses may be included;
- 994 (x) an on-premise beer retailer license;
- 995 (xi) a reception center license;
- 996 (xii) a beer-only restaurant license;
- 997 (xiii) a hotel license, under which at least three or more sublicenses may be included;
- 998 (xiv) subject to Subsection (4), a single event permit;
- 999 (xv) subject to Subsection (4), a temporary beer event permit;
- 1000 (xvi) a special use permit;
- 1001 (xvii) a manufacturing license;
- 1002 (xviii) a liquor warehousing license;
- 1003 (xix) a beer wholesaling license; ~~and~~
- 1004 (xx) a liquor transport license;
- 1005 (xxi) an off-premise beer retailer state license;
- 1006 (xxii) a master off-premise beer retailer state license; and
- 1007 ~~(xx)~~ (xxiii) one of the following that holds a certificate of approval:
- 1008 (A) an out-of-state brewer;
- 1009 (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and
- 1010 (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages;
- 1011 (f) issue, deny, suspend, or revoke the following conditional licenses:
- 1012 (i) a conditional retail license as defined in Section [32B-5-205](#); and
- 1013 (ii) a conditional off-premise beer retailer state license as defined in Section
- 1014 [32B-7-406](#);
- 1015 (g) prescribe the duties of the department in assisting the commission in issuing a
- 1016 package agency, license, permit, or certificate of approval under this title;
- 1017 (h) to the extent a fee is not specified in this title, establish a fee allowed under this title

1018 in accordance with Section 63J-1-504;

1019 (i) fix prices at which liquor is sold that are the same at all state stores, package
1020 agencies, and retail licensees;

1021 (j) issue and distribute price lists showing the price to be paid by a purchaser for each
1022 class, variety, or brand of liquor kept for sale by the department;

1023 (k) (i) require the director to follow sound management principles; and
1024 (ii) require periodic reporting from the director to ensure that:
1025 (A) sound management principles are being followed; and
1026 (B) policies established by the commission are being observed;

1027 (l) (i) receive, consider, and act in a timely manner upon the reports, recommendations,
1028 and matters submitted by the director to the commission; and
1029 (ii) do the things necessary to support the department in properly performing the
1030 department's duties;

1031 (m) obtain temporarily and for special purposes the services of an expert or person
1032 engaged in the practice of a profession, or a person who possesses a needed skill if:
1033 (i) considered expedient; and
1034 (ii) approved by the governor;

1035 (n) prescribe by rule the conduct, management, and equipment of premises upon which
1036 an alcoholic product may be stored, sold, offered for sale, furnished, or consumed;

1037 (o) make rules governing the credit terms of beer sales within the state to retail
1038 licensees; and

1039 (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take
1040 disciplinary action against a person subject to administrative action.

1041 (2) Consistent with the policy established by the Legislature by statute, the power of
1042 the commission to do the following is plenary, except as otherwise provided by this title, and
1043 not subject to review:

1044 (a) establish a state store;
1045 (b) issue authority to act as a package agent or operate a package agency; and
1046 (c) issue or deny a license, permit, or certificate of approval.

1047 (3) If the commission is authorized or required to make a rule under this title, the
1048 commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative

1049 Rulemaking Act.

1050 (4) Notwithstanding Subsections (1)(e)(xiv) and (xv), the director or deputy director
1051 may issue an event permit in accordance with Chapter 9, Event Permit Act.

1052 Section 10. Section **32B-2-204** is amended to read:

1053 **32B-2-204. Powers and duties of the department -- Immunity.**

1054 (1) The department shall control liquor merchandise inventory including:

1055 (a) listing and delisting a product;

1056 (b) the procedures for testing a new product;

1057 (c) purchasing policy;

1058 (d) turnover requirements for a regularly coded product to be continued; and

1059 (e) the disposition of discontinued, distressed, or unsaleable merchandise.

1060 (2) (a) The department shall report to the governor on the administration of this title:

1061 (i) as the governor may require; and

1062 (ii) annually by no later than November 30, for the fiscal year ending June 30 of the
1063 year in which the report is made.

1064 (b) A report under this Subsection (2) shall contain:

1065 (i) a statement of the nature and amount of the business transacted by the department
1066 during the year;

1067 (ii) a statement of the department's assets and liabilities including a profit and loss
1068 account, and other accounts and matters necessary to show the results of operations of the
1069 department for the year;

1070 (iii) general information on the application of this title in the state; and

1071 (iv) any other information requested by the governor.

1072 (c) The department shall submit a copy of a report described in this Subsection (2) to
1073 the Legislature.

1074 (3) The department shall maintain insurance against loss on each motor vehicle
1075 operated by it on any public highway. A motor vehicle shall be covered for:

1076 (a) liability imposed by law upon the department for damages from bodily injuries
1077 suffered by one or more persons by reason of the ownership, maintenance, or use of the motor
1078 vehicle; and

1079 (b) liability or loss from damage to or destruction of property of any description,

1080 including liability of the department for the resultant loss of use of the property, which results
1081 from accident due to the ownership, maintenance, or use of the motor vehicle.

1082 (4) (a) The department may sue, be sued, and defend in a proceeding, in a court of law
1083 or otherwise, in the name of the department.

1084 (b) An action may not be taken:

1085 (i) against the commission; or

1086 (ii) in the name of a commissioner.

1087 (5) The department is liable to respond in damages in a case if a private corporation
1088 under the same circumstances would be liable.

1089 (6) (a) Title 63G, Chapter 7, Governmental Immunity Act of Utah, applies in an action
1090 commenced against the department for damages sustained as a result of department ownership,
1091 maintenance, or use of a motor vehicle under Subsections (4) and (5).

1092 (b) In an action described in Subsection (6)(a), the commission and each commissioner
1093 are immune from suit.

1094 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1095 department may make rules related to measuring the alcohol content of beer.

1096 Section 11. Section **32B-2-304** is amended to read:

1097 **32B-2-304. Liquor price -- School lunch program -- Remittance of markup.**

1098 (1) For purposes of this section:

1099 (a) (i) "Landed case cost" means:

1100 (A) the cost of the product; and

1101 (B) inbound shipping costs incurred by the department.

1102 (ii) "Landed case cost" does not include the outbound shipping cost from a warehouse
1103 of the department to a state store.

1104 (b) "Proof gallon" means the same as that term is defined in 26 U.S.C. Sec. 5002.

1105 (c) Notwithstanding Section **32B-1-102**, "small brewer" means a brewer who
1106 manufactures in a calendar year less than 40,000 barrels of beer, heavy beer, and flavored malt
1107 beverage.

1108 (2) Except as provided in Subsection (3):

1109 (a) spirituous liquor sold by the department within the state shall be marked up in an
1110 amount not less than 88% above the landed case cost to the department;

1111 (b) wine sold by the department within the state shall be marked up in an amount not
1112 less than 88% above the landed case cost to the department;

1113 (c) heavy beer sold by the department within the state shall be marked up in an amount
1114 not less than 66.5% above the landed case cost to the department; and

1115 (d) a flavored malt beverage sold by the department within the state shall be marked up
1116 in an amount not less than 88% above the landed case cost to the department.

1117 (3) (a) Liquor sold by the department to a military installation in Utah shall be marked
1118 up in an amount not less than 17% above the landed case cost to the department.

1119 (b) Except for spirituous liquor sold by the department to a military installation in
1120 Utah, spirituous liquor that is sold by the department within the state shall be marked up 49%
1121 above the landed case cost to the department if:

1122 (i) the spirituous liquor is manufactured by a manufacturer producing less than 30,000
1123 proof gallons of spirituous liquor in a calendar year; and

1124 (ii) the manufacturer applies to the department for a reduced markup.

1125 (c) Except for wine sold by the department to a military installation in Utah, wine that
1126 is sold by the department within the state shall be marked up 49% above the landed case cost to
1127 the department if:

1128 (i) (A) except as provided in Subsection (3)(c)(i)(B), the wine is manufactured by a
1129 manufacturer producing less than 20,000 gallons of wine in a calendar year; or

1130 (B) for hard cider, the hard cider is manufactured by a manufacturer producing less
1131 than 620,000 gallons of hard cider in a calendar year; and

1132 (ii) the manufacturer applies to the department for a reduced markup.

1133 (d) Except for heavy beer sold by the department to a military installation in Utah,
1134 heavy beer that is sold by the department within the state shall be marked up 32% above the
1135 landed case cost to the department if:

1136 (i) a small brewer manufactures the heavy beer; and

1137 (ii) the small brewer applies to the department for a reduced markup.

1138 (e) The department shall verify an amount described in Subsection (3)(b), (c), or (d)
1139 pursuant to a federal or other verifiable production report.

1140 (f) For purposes of determining whether an alcoholic product qualifies for a markup
1141 under this Subsection (3), the department shall evaluate whether the manufacturer satisfies the

1142 applicable production requirement without considering the manufacturer's production of any
1143 other type of alcoholic product.

1144 (4) The department shall deposit 10% of the total gross revenue from sales of liquor
1145 with the state treasurer to be credited to the Uniform School Fund and used to support the
1146 school lunch program administered by the State Board of Education under Section 53E-3-510.

1147 (5) This section does not prohibit the department from selling discontinued items at a
1148 discount.

1149 Section 12. Section 32B-2-605 is amended to read:

1150 **32B-2-605. Operational requirements for package agency.**

1151 (1) (a) A person may not operate a package agency until a package agency agreement is
1152 entered into by the package agent and the department.

1153 (b) A package agency agreement shall state the conditions of operation by which the
1154 package agent and the department are bound.

1155 (c) (i) If a package agent or staff of the package agent violates this title, rules under this
1156 title, or the package agency agreement, the department may take any action against the package
1157 agent that is allowed by the package agency agreement.

1158 (ii) An action against a package agent is governed solely by its package agency
1159 agreement and may include suspension or revocation of the package agency.

1160 (iii) A package agency agreement shall provide procedures to be followed if a package
1161 agent fails to pay money owed to the department including a procedure for replacing the
1162 package agent or operator of the package agency.

1163 (iv) A package agency agreement shall provide that the package agency is subject to
1164 covert investigations for selling an alcoholic product to a minor.

1165 (v) Notwithstanding that this part refers to "package agency" or "package agent," staff
1166 of the package agency or package agent is subject to the same requirement or prohibition.

1167 (2) (a) A package agency shall be operated by an individual who is either:

1168 (i) the package agent; or

1169 (ii) an individual designated by the package agent.

1170 (b) An individual who is a designee under this Subsection (2) shall be:

1171 (i) an employee of the package agent; and

1172 (ii) responsible for the operation of the package agency.

- 1173 (c) The conduct of the designee is attributable to the package agent.
- 1174 (d) A package agent shall submit the name of the person operating the package agency
1175 to the department for the department's approval.
- 1176 (e) A package agent shall state the name and title of a designee on the application for a
1177 package agency.
- 1178 (f) A package agent shall:
- 1179 (i) inform the department of a proposed change in the individual designated to operate
1180 a package agency; and
- 1181 (ii) receive prior approval from the department before implementing the change
1182 described in this Subsection (2)(f).
- 1183 (g) Failure to comply with the requirements of this Subsection (2) may result in the
1184 immediate termination of a package agency agreement.
- 1185 (3) (a) A package agent shall display in a prominent place in the package agency the
1186 record issued by the commission that designates the package agency.
- 1187 (b) A package agent that displays or stores liquor at a location visible to the public
1188 shall display in a prominent place in the package agency a sign in large letters that consists of
1189 text in the following order:
- 1190 (i) a header that reads: "WARNING";
- 1191 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
1192 can cause birth defects and permanent brain damage for the child.";
- 1193 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
1194 [insert most current toll-free number] with questions or for more information.";
- 1195 (iv) a header that reads: "WARNING"; and
- 1196 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
1197 serious crime that is prosecuted aggressively in Utah."
- 1198 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
1199 font style than the text described in Subsections (3)(b)(iv) and (v).
- 1200 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
1201 same font size.
- 1202 (d) The Department of Health shall work with the commission and department to
1203 facilitate consistency in the format of a sign required under this section.

1204 (4) A package agency may not display liquor or a price list in a window or showcase
1205 that is visible to passersby.

1206 (5) (a) A package agency may not purchase liquor from a person except from the
1207 department.

1208 (b) At the discretion of the department, liquor may be provided by the department to a
1209 package agency for sale on consignment.

1210 (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place
1211 other than as designated in the package agent's application, unless the package agent first
1212 applies for and receives approval from the department for a change of location within the
1213 package agency premises.

1214 (7) A package agency may not sell, offer for sale, or furnish liquor except at a price
1215 fixed by the commission.

1216 (8) A package agency may not sell, offer for sale, or furnish liquor to:

1217 (a) a minor;

1218 (b) a person actually, apparently, or obviously intoxicated;

1219 (c) a known interdicted person; or

1220 (d) a known habitual drunkard.

1221 (9) (a) A package agency may not employ a minor to handle liquor.

1222 (b) (i) Staff of a package agency may not:

1223 (A) consume an alcoholic product on the premises of a package agency; or

1224 (B) allow any person to consume an alcoholic product on the premises of a package
1225 agency.

1226 (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.

1227 (10) (a) A package agency may not close or cease operation for a period longer than 72
1228 hours, unless:

1229 (i) the package agency notifies the department in writing at least seven days before the
1230 closing; and

1231 (ii) the closure or cessation of operation is first approved by the department.

1232 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
1233 agency shall immediately notify the department by telephone.

1234 (c) (i) The department may authorize a closure or cessation of operation for a period

1235 not to exceed 60 days.

1236 (ii) The department may extend the initial period an additional 30 days upon written
1237 request of the package agency and upon a showing of good cause.

1238 (iii) A closure or cessation of operation may not exceed a total of 90 days without
1239 commission approval.

1240 (d) The notice required by Subsection (10)(a) shall include:

1241 (i) the dates of closure or cessation of operation;

1242 (ii) the reason for the closure or cessation of operation; and

1243 (iii) the date on which the package agency will reopen or resume operation.

1244 (e) Failure of a package agency to provide notice and to obtain department
1245 authorization before closure or cessation of operation results in an automatic termination of the
1246 package agency agreement effective immediately.

1247 (f) Failure of a package agency to reopen or resume operation by the approved date
1248 results in an automatic termination of the package agency agreement effective on that date.

1249 (11) A package agency may not transfer its operations from one location to another
1250 location without prior written approval of the commission.

1251 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,
1252 exchange, barter, give, or attempt in any way to dispose of the package agency to another
1253 person, whether for monetary gain or not.

1254 (b) A package agency has no monetary value for any type of disposition.

1255 (13) (a) Subject to the other provisions of this Subsection (13):

1256 (i) sale or delivery of liquor may not be made on or from the premises of a package
1257 agency, and a package agency may not be kept open for the sale of liquor:

1258 (A) on Sunday; or

1259 (B) on a state or federal legal holiday.

1260 (ii) Sale or delivery of liquor may be made on or from the premises of a package
1261 agency, and a package agency may be open for the sale of liquor, only on a day and during
1262 hours that the commission directs by rule or order.

1263 (b) A package agency located at a manufacturing facility is not subject to Subsection
1264 (13)(a) if:

1265 (i) the package agency is located at a manufacturing facility licensed in accordance

1266 with Chapter 11, Manufacturing and Related Licenses Act;

1267 (ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing
1268 and Related Licenses Act, holds:

1269 (A) a full-service restaurant license;

1270 (B) a limited-service restaurant license;

1271 (C) a beer-only restaurant license;

1272 (D) a dining club license; or

1273 (E) a bar license;

1274 (iii) the restaurant, dining club, or bar is located at the manufacturing facility;

1275 (iv) the restaurant, dining club, or bar sells an alcoholic product produced at the
1276 manufacturing facility;

1277 (v) the manufacturing facility:

1278 (A) owns the restaurant, dining club, or bar; or

1279 (B) operates the restaurant, dining club, or bar;

1280 (vi) the package agency only sells an alcoholic product produced at the manufacturing
1281 facility; and

1282 (vii) the package agency's days and hours of sale are the same as the days and hours of
1283 sale at the restaurant, dining club, or bar.

1284 (c) (i) Subsection (13)(a) does not apply to a package agency held by the following if
1285 the package agent that holds the package agency to sell liquor at a resort or hotel does not sell
1286 liquor in a manner similar to a state store:

1287 (A) a resort licensee; or

1288 (B) a hotel licensee.

1289 (ii) The commission may by rule define what constitutes a package agency that sells
1290 liquor "in a manner similar to a state store."

1291 (14) (a) Except to the extent authorized by commission rule, a minor may not be
1292 admitted into, or be on the premises of, a package agency unless accompanied by a person who
1293 is:

1294 (i) 21 years of age or older; and

1295 (ii) the minor's parent, legal guardian, or spouse.

1296 (b) A package agent or staff of a package agency that has reason to believe that a

1297 person who is on the premises of a package agency is under the age of 21 and is not
1298 accompanied by a person described in Subsection (14)(a) may:

- 1299 (i) ask the suspected minor for proof of age;
- 1300 (ii) ask the person who accompanies the suspected minor for proof of age; and
- 1301 (iii) ask the suspected minor or the person who accompanies the suspected minor for
1302 proof of parental, guardianship, or spousal relationship.

1303 (c) A package agent or staff of a package agency shall refuse to sell liquor to the
1304 suspected minor and to the person who accompanies the suspected minor into the package
1305 agency if the minor or person fails to provide any information specified in Subsection (14)(b).

1306 (d) A package agent or staff of a package agency shall require the suspected minor and
1307 the person who accompanies the suspected minor into the package agency to immediately leave
1308 the premises of the package agency if the minor or person fails to provide information specified
1309 in Subsection (14)(b).

1310 (15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed
1311 container.

1312 (b) A person may not open a sealed container on the premises of a package agency.

1313 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or
1314 furnish liquor in other than a sealed container:

1315 (i) if the package agency is the type of package agency that authorizes the package
1316 agency to sell, offer for sale, or furnish the liquor as part of room service;

1317 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and

1318 (iii) subject to:

1319 (A) staff of the package agency providing the liquor in person only to an adult guest in
1320 the guest room;

1321 (B) staff of the package agency not leaving the liquor outside a guest room for retrieval
1322 by a guest; and

1323 (C) the same limits on the portions in which an alcoholic product may be sold by a
1324 retail licensee under Section [32B-5-304](#).

1325 (16) On or after October 1, 2011, a package agency may not sell, offer for sale, or
1326 furnish heavy beer in a sealed container that exceeds two liters.

1327 (17) The department may pay or otherwise remunerate a package agent on any basis,

1328 including sales or volume of business done by the package agency.

1329 (18) The commission may prescribe by policy or rule general operational requirements
1330 of a package agency that are consistent with this title and relate to:

1331 (a) physical facilities;

1332 (b) conditions of operation;

1333 (c) hours of operation;

1334 (d) inventory levels;

1335 (e) payment schedules;

1336 (f) methods of payment;

1337 (g) premises security; and

1338 (h) any other matter considered appropriate by the commission.

1339 (19) A package agency may not maintain a minibar.

1340 Section 13. Section **32B-5-102** is amended to read:

1341 **32B-5-102. Definitions.**

1342 [Reserved]

1343 As used in this chapter:

1344 (1) "Interim alcoholic beverage management agreement" means an agreement:

1345 (a) in connection with:

1346 (i) the transfer of a retail license; and

1347 (ii) (A) an asset sale of a retail licensee; or

1348 (B) a transfer of the management of a retail licensee to a new entity; and

1349 (b) under which the purchaser or the new management entity agrees to perform the
1350 operations of the retail licensee during the period that:

1351 (i) begins when:

1352 (A) the asset sale closes; or

1353 (B) the new management agreement is executed; and

1354 (ii) ends on the day after the day on which the commission approves the transfer of the
1355 retail license.

1356 (2) "Inventory transfer agreement" means an agreement under which a retail licensee
1357 agrees to sell or otherwise transfer all or part of the retail licensee's inventory of alcoholic
1358 product.

1359 Section 14. Section **32B-5-207** is amended to read:

1360 **32B-5-207. Multiple retail licenses on same premises.**

1361 (1) As used in this section, "sublicense premises" means the same as that term is
1362 defined in Sections [32B-8-102](#) and [32B-8b-102](#).

1363 (2) (a) The commission may not issue and one or more licensees may not hold more
1364 than one type of retail license for the same premises.

1365 (b) Notwithstanding Subsection (2)(a), the commission may issue and one or more
1366 licensees may hold more than one type of retail license for the same premises if:

1367 (i) the applicant or licensee satisfies the requirements for each retail license;

1368 (ii) the types of retail licenses issued or held are two or more of the following:

1369 (A) a restaurant license;

1370 (B) an on-premise beer retailer license that is not a tavern; and

1371 (C) an on-premise banquet license or a reception center license; and

1372 (iii) the retail licenses do not operate at the same time on the same day.

1373 (3) When one or more licensees hold more than one type of retail license for the same
1374 premises under Subsection (2)(b), the one or more licensees shall post in a conspicuous
1375 location at the entrance of the room a sign that:

1376 (a) measures 8-1/2 inches by 11 inches; and

1377 (b) states whether the premises is currently operating as:

1378 (i) a restaurant;

1379 (ii) an on-premise beer retailer that is not a tavern; or

1380 (iii) a banquet or a reception center.

1381 (4) (a) The commission may not issue and one or more licensees may not hold a bar
1382 license or a tavern license in the same room as a restaurant license.

1383 (b) For purposes of Subsection (4)(a), two licenses are not considered in the same room
1384 if:

1385 (i) each shared permanent wall between the premises licensed as a bar or a tavern and
1386 the premises licensed as a restaurant measures at least eight feet high;

1387 (ii) the premises for each license has a separate entryway that does not require a patron
1388 to pass through the premises licensed as a bar or a tavern to access the premises licensed as a
1389 restaurant; and

1390 (iii) if a patron must pass through the premises licensed as a restaurant to access the
1391 entryway to the premises licensed as a bar or a tavern, a patron on the premises licensed as a
1392 restaurant cannot see a dispensing structure on the premises licensed as a bar or a tavern.

1393 (5) (a) If, on May 9, 2017, one or more licensees hold more than one type of retail
1394 license in violation of Subsection (2) or (4), the one or more licensees may operate under the
1395 different types of retail licenses through June 30, 2018.

1396 (b) A licensee may not operate in violation of Subsection (2) or (4) on or after July 1,
1397 2018.

1398 (c) Before July 1, 2018, each licensee described in Subsection (5)(a) shall notify the
1399 commission of each retail license that the licensee will surrender effective July 1, 2018, to
1400 comply with the provisions of Subsection (2) or (4).

1401 ~~[(d) The commission shall establish by rule, made in accordance with Title 63G,~~
1402 ~~Chapter 3, Utah Administrative Rulemaking Act, a procedure by which a licensee surrenders a~~
1403 ~~retail license under this Subsection (5).]~~

1404 (6) (a) The commission may issue more than one type of sublicense to a resort licensed
1405 under Chapter 8, Resort License Act, or a hotel licensed under Chapter 8b, Hotel License Act,
1406 for the same room if the sublicense premises are clearly delineated by one or more permanent
1407 physical structures, such as a wall or other architectural feature, that separate the sublicense
1408 premises.

1409 (b) A patron may not transport an alcoholic beverage between two sublicense premises
1410 located in the same room in accordance with Subsection (6)(a).

1411 (c) Notwithstanding any provision to the contrary, a minor may momentarily pass
1412 through a sublicense premises that is a bar to reach another location where a minor may
1413 lawfully be, if there is no practical alternative route to the location.

1414 Section 15. Section **32B-5-301** is amended to read:

1415 **32B-5-301. General operational requirements.**

1416 (1) (a) A retail licensee and staff of a retail licensee shall comply with this title and the
1417 rules of the commission, including the relevant part under Chapter 6, Specific Retail License
1418 Act, for the specific type of retail license.

1419 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1420 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1421 (i) a retail licensee;

1422 (ii) individual staff of a retail licensee; or

1423 (iii) both a retail licensee and staff of the retail licensee.

1424 (2) (a) If there is a conflict between this part and the relevant part under Chapter 6,
1425 Specific Retail License Act, for the specific type of retail license, the relevant part under
1426 Chapter 6 governs.

1427 (b) Notwithstanding that this part refers to "liquor" or an "alcoholic product," a retail
1428 licensee may only sell, offer for sale, furnish, or allow the consumption of an alcoholic product
1429 specifically authorized by the relevant part under Chapter 6, Specific Retail License Act.

1430 (c) Notwithstanding that this part or the relevant part under Chapter 6, Specific Retail
1431 License Act, refers to "retail licensee," staff of the retail licensee is subject to the same
1432 requirement or prohibition.

1433 (3) (a) A retail licensee shall display in a prominent place in the licensed premises the
1434 retail license that is issued by the department.

1435 (b) A retail licensee shall display in a prominent place a sign in large letters that
1436 consists of text in the following order:

1437 (i) a header that reads: "WARNING";

1438 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
1439 can cause birth defects and permanent brain damage for the child.";

1440 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
1441 [insert most current toll-free number] with questions or for more information.";

1442 (iv) a header that reads: "WARNING"; and

1443 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
1444 serious crime that is prosecuted aggressively in Utah."

1445 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
1446 font style than the text described in Subsections (3)(b)(iv) and (v).

1447 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
1448 same font size.

1449 (d) The Department of Health shall work with the commission and department to
1450 facilitate consistency in the format of a sign required under this section.

1451 (4) A retail licensee may not on the licensed premises:

1452 (a) engage in or permit any form of gambling, as defined and proscribed in Title 76,
1453 Chapter 10, Part 11, Gambling;

1454 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
1455 Part 11, Gambling; or

1456 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
1457 the risking of something of value for a return or for an outcome when the return or outcome is
1458 based upon an element of chance, excluding the playing of an amusement device that confers
1459 only an immediate and unrecorded right of replay not exchangeable for value.

1460 (5) A retail licensee may not knowingly allow a person on the licensed premises to, in
1461 violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug
1462 Paraphernalia Act:

1463 (a) sell, distribute, possess, or use a controlled substance, as defined in Section
1464 58-37-2; or

1465 (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in
1466 Section 58-37a-3.

1467 (6) Upon the presentation of credentials, at any time during which a retail licensee is
1468 open for the transaction of business, the retail licensee shall immediately:

1469 (a) admit a commissioner, authorized department employee, or law enforcement officer
1470 to the retail licensee's premises; and

1471 (b) permit, without hindrance or delay, the person described in Subsection (6)(a) to
1472 inspect completely:

1473 (i) the entire premises of the retail licensee; and

1474 (ii) the records of the retail licensee.

1475 (7) An individual may not consume an alcoholic product on the licensed premises of a
1476 retail licensee on any day during the period:

1477 (a) beginning one hour after the time of day that the period during which a retail
1478 licensee may not sell, offer for sale, or furnish an alcoholic product on the licensed premises
1479 begins; and

1480 (b) ending at the time specified in the relevant part under Chapter 6, Specific Retail
1481 License Act, for the type of retail license when the retail licensee may first sell, offer for sale,
1482 or furnish an alcoholic product on the licensed premises on that day.

1483 (8) (a) An employee of a retail licensee who sells, offers for sale, or furnishes an
1484 alcoholic product to a patron shall wear an identification badge.

1485 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1486 commission shall make rules related to the requirement described in Subsection (8)(a).

1487 Section 16. Section **32B-5-303** is amended to read:

1488 **32B-5-303. Purchase and storage of an alcoholic product by a retail licensee.**

1489 (1) (a) A retail licensee may not purchase liquor except from a state store or package
1490 agency.

1491 (b) A retail licensee may transport liquor purchased from a state store or package
1492 agency from the place of purchase to the licensed premises.

1493 (c) A retail licensee shall pay for liquor in accordance with rules established by the
1494 commission.

1495 (2) (a) (i) A retail licensee may not purchase, acquire, possess for the purpose of resale,
1496 or sell beer except beer that the retail licensee purchases from:

1497 (A) a beer wholesaler licensee; or

1498 (B) a small brewer that manufactures the beer.

1499 (ii) Violation of this Subsection (2)(a) is a class A misdemeanor.

1500 (b) (i) If a retail licensee purchases beer under Subsection (2)(a) from a beer wholesaler
1501 licensee, the retail licensee shall purchase beer only from a beer wholesaler licensee who is
1502 designated by the manufacturer to sell beer in the geographical area in which the retail licensee
1503 is located, unless an alternate wholesaler is authorized by the department to sell to the retail
1504 licensee as provided in Section [32B-13-301](#).

1505 (ii) Violation of Subsection (2)(b) is a class B misdemeanor.

1506 (3) A retail licensee may not store, sell, offer for sale, or furnish an alcoholic product in
1507 a place other than as designated in the retail licensee's application, unless the retail licensee
1508 first applies for and receives approval from the department for a change of location within the
1509 licensed premises.

1510 (4) A liquor storage area shall remain locked at all times [~~other than those hours and~~
1511 ~~days when~~] except when:

1512 (a) liquor sales are authorized by law[-]; or

1513 (b) the licensee:

- 1514 (i) inventories or restocks the alcoholic product in the liquor storage area; or
- 1515 (ii) repairs or cleans the liquor storage area.

1516 Section 17. Section **32B-5-304** is amended to read:

1517 **32B-5-304. Portions in which alcoholic product may be sold.**

1518 (1) A retail licensee may sell, offer for sale, or furnish a primary spirituous liquor only
1519 in a quantity that does not exceed 1.5 ounces per beverage dispensed through a calibrated
1520 metered dispensing system approved by the department in accordance with commission rules
1521 adopted under this title, except that:

1522 (a) spirituous liquor need not be dispensed through a calibrated metered dispensing
1523 system if used as a secondary flavoring ingredient in a beverage subject to the following
1524 requirements:

1525 (i) the secondary ingredient may be dispensed only in conjunction with the purchase of
1526 a primary spirituous liquor;

1527 (ii) the secondary ingredient may not be the only spirituous liquor in the beverage;

1528 (iii) the retail licensee shall designate a location where flavorings are stored on the
1529 floor plan submitted to the department; and

1530 (iv) a flavoring container shall be plainly and conspicuously labeled "flavorings";

1531 (b) spirituous liquor need not be dispensed through a calibrated metered dispensing
1532 system if used:

1533 (i) as a flavoring on a dessert; and

1534 (ii) in the preparation of a flaming food dish, drink, or dessert; and

1535 (c) a patron may have no more than 2.5 ounces of spirituous liquor at a time.

1536 (2) (a) (i) A retail licensee may sell, offer for sale, or furnish wine by the glass or in an
1537 individual portion that does not exceed 5 ounces per glass or individual portion.

1538 (ii) A retail licensee may sell, offer for sale, or furnish an individual portion of wine to
1539 a patron in more than one glass if the total amount of wine does not exceed 5 ounces.

1540 (b) (i) A retail licensee may sell, offer for sale, or furnish wine in a container not
1541 exceeding 1.5 liters at a price fixed by the commission to a table of four or more persons.

1542 (ii) A retail licensee may sell, offer for sale, or furnish wine in a container not to
1543 exceed 750 milliliters at a price fixed by the commission to a table of less than four persons.

1544 (3) A retail licensee may sell, offer for sale, or furnish heavy beer in an original

1545 container at a price fixed by the commission, except that the original container may not exceed
1546 one liter.

1547 (4) A retail licensee may sell, offer for sale, or furnish a flavored malt beverage in an
1548 original container at a price fixed by the commission, except that the original container may not
1549 exceed one liter.

1550 (5) (a) Subject to Subsection (5)(b), a retail licensee may sell, offer for sale, or furnish
1551 beer for on-premise consumption:

1552 (i) in an open original container; and

1553 (ii) in a container on draft.

1554 (b) A retail licensee may not sell, offer for sale, or furnish beer under Subsection (5)(a):

1555 (i) in a size of container that exceeds two liters; or

1556 (ii) to an individual patron in a size of container that exceeds one liter.

1557 (c) A retail licensee may sell, offer for sale, or furnish a flight of beer to an individual
1558 patron if the total amount of beer does not exceed 16 ounces.

1559 Section 18. Section **32B-5-306** is amended to read:

1560 **32B-5-306. Purchasing or selling alcoholic product.**

1561 (1) A retail licensee may not sell, offer for sale, or furnish an alcoholic product to:

1562 (a) a minor;

1563 (b) a person actually, apparently, or obviously intoxicated;

1564 (c) a known interdicted person; or

1565 (d) a known habitual drunkard.

1566 (2) (a) A patron may only purchase an alcoholic product in the licensed premises of a
1567 retail licensee from and be served by an individual who is:

1568 (i) staff of the retail licensee; and

1569 (ii) designated and trained by the retail licensee to sell and serve an alcoholic product.

1570 (b) An individual may sell, offer for sale, or furnish an alcoholic product to a patron

1571 only if the individual is:

1572 (i) staff of the retail licensee; and

1573 (ii) designated and trained by the retail licensee to sell and serve an alcoholic product.

1574 (c) Notwithstanding Subsection (2)(a) or (b), a patron who purchases bottled wine from
1575 staff of the retail licensee or carries bottled wine onto the retail licensee's premises pursuant to

1576 Section [32B-5-307](#) may thereafter serve wine from the bottle to the patron or others at the
1577 patron's table.

1578 (3) The following may not purchase an alcoholic product for a patron:

1579 (a) a retail licensee; or

1580 (b) staff of a retail licensee.

1581 (4) After a retail licensee closes the retail licensee's business at the licensed premises,
1582 the retail licensee may transfer the retail licensee's inventory of alcoholic product from that
1583 premises to another premises licensed under this chapter that is owned by the same retail
1584 licensee.

1585 Section 19. Section **32B-5-308** is amended to read:

1586 **32B-5-308. Requirements on staff or others on premises -- Employing a minor.**

1587 (1) Staff of a retail licensee, while on duty, may not:

1588 (a) consume an alcoholic product; or

1589 (b) be intoxicated.

1590 (2) (a) A retail licensee may not employ a minor to sell, offer for sale, furnish, or
1591 dispense an alcoholic product.

1592 (b) Notwithstanding Subsection (2)(a), unless otherwise prohibited in the provisions
1593 related to the specific type of retail license, a retail licensee may employ a minor who is at least
1594 16 years of age to enter the sale at a cash register or other sales recording device.

1595 (3) A full-service restaurant licensee, limited-service restaurant licensee, or beer-only
1596 restaurant licensee may employ a minor who is at least ~~[18]~~ 16 years of age to bus tables,
1597 including containers that contain an alcoholic product.

1598 Section 20. Section **32B-5-310** is amended to read:

1599 **32B-5-310. Notifying department of change in ownership -- Inventory transfers --**
1600 **Interim alcoholic beverage management agreements.**

1601 (1) The commission may suspend or revoke a retail license if the retail licensee does
1602 not immediately notify the department of a change in:

1603 ~~[(1)]~~ (a) ownership of ~~[the premises of]~~ the retail license;

1604 (b) the entity that manages the retail licensee or a premises licensed under this chapter;

1605 ~~[(2)]~~ (c) for a corporate owner, the:

1606 ~~[(a)]~~ (i) corporate officers or directors of the retail licensee; or

1607 ~~[(b)]~~ (ii) shareholders holding at least 20% of the total issued and outstanding stock of
1608 the corporation; or

1609 ~~[(3)]~~ (d) for a limited liability company:

1610 ~~[(a)]~~ (i) managers of the limited liability company; or

1611 ~~[(b)]~~ (ii) members owning at least 20% of the limited liability company.

1612 (2) Notwithstanding any other provision of this title, in connection with an event
1613 described in Section 32B-8a-202 or an asset sale of a retail licensee, the parties to the
1614 transaction may enter into an inventory transfer agreement.

1615 (3) A retail licensee may enter into an interim alcoholic beverage management
1616 agreement that provides:

1617 (a) all proceeds, less cost of goods sold, from the sale of alcohol shall accrue to the
1618 current retail licensee; and

1619 (b) for the duration of the agreement, the current retail licensee:

1620 (i) shall comply with the requirements of this title that are applicable to the retail
1621 license; and

1622 (ii) in accordance with this title, is subject to disciplinary action by the commission for
1623 any violation of this title.

1624 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1625 department may make rules governing the requirements of:

1626 (a) an inventory transfer agreement; and

1627 (b) an interim alcoholic beverage management agreement.

1628 Section 21. Section **32B-6-203** is amended to read:

1629 **32B-6-203. Commission's power to issue full-service restaurant license.**

1630 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
1631 an alcoholic product on its premises as a full-service restaurant, the person shall first obtain a
1632 full-service restaurant license from the commission in accordance with this part.

1633 (2) The commission may issue a full-service restaurant license to establish full-service
1634 restaurant licensed premises at places and in numbers the commission considers proper for the
1635 storage, sale, offer for sale, furnishing, and consumption of an alcoholic product on premises
1636 operated as a full-service restaurant.

1637 (3) Subject to Section [32B-1-201](#):

1638 (a) The commission may not issue a total number of full-service restaurant licenses that
1639 at any time exceeds the number determined by dividing the population of the state by 4,467.

1640 (b) The commission may issue a seasonal full-service restaurant license in accordance
1641 with Section 32B-5-206.

1642 (c) (i) If the location, design, and construction of a hotel may require more than one
1643 full-service restaurant sales location within the hotel to serve the public convenience, the
1644 commission may authorize the sale, offer for sale, or furnishing of an alcoholic product at as
1645 many as three full-service restaurant locations within the hotel under one full-service restaurant
1646 license if:

1647 (A) the hotel has a minimum of 150 guest rooms; and

1648 (B) the locations under the full-service restaurant license are:

1649 (I) within the same hotel; and

1650 (II) on premises that are managed or operated, and owned or leased, by the full-service
1651 restaurant licensee.

1652 (ii) A facility other than a hotel shall have a separate full-service restaurant license for
1653 each full-service restaurant where an alcoholic product is sold, offered for sale, or furnished.

1654 (4) Except as otherwise provided in Section 32B-1-202, the commission may not issue
1655 a full-service restaurant license for premises that do not meet the proximity requirements of
1656 Subsection 32B-1-202(2).

1657 (5) To be licensed as a full-service restaurant, a person shall maintain at least 70% of
1658 the restaurant's gross revenues from the sale of food, which does not include:

1659 (a) mix for an alcoholic product; or

1660 (b) a service charge.

1661 Section 22. Section 32B-6-205 is amended to read:

1662 **32B-6-205. Specific operational requirements for a full-service restaurant license**
1663 **-- Before July 1, 2018, or July 1, 2022.**

1664 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1665 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
1666 shall comply with this section.

1667 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1668 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1669 (i) a full-service restaurant licensee;
1670 (ii) individual staff of a full-service restaurant licensee; or
1671 (iii) both a full-service restaurant licensee and staff of the full-service restaurant
1672 licensee.

1673 (2) In addition to complying with Subsection 32B-5-301(3), a full-service restaurant
1674 licensee shall display in a prominent place in the restaurant a list of the types and brand names
1675 of liquor being furnished through the full-service restaurant licensee's calibrated metered
1676 dispensing system.

1677 (3) In addition to complying with Section 32B-5-303, a full-service restaurant licensee
1678 shall store an alcoholic product in a storage area described in Subsection [(12)] (11)(a).

1679 (4) (a) An individual who serves an alcoholic product in a full-service restaurant
1680 licensee's premises shall make a written beverage tab for each table or group that orders or
1681 consumes an alcoholic product on the premises.

1682 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an
1683 alcoholic product ordered or consumed.

1684 (5) A person's willingness to serve an alcoholic product may not be made a condition
1685 of employment as a server with a full-service restaurant licensee.

1686 (6) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the
1687 licensed premises during the following time periods only:

1688 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

1689 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
1690 period that begins at 10:30 a.m. and ends at 11:59 p.m.

1691 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the
1692 licensed premises during the following time periods only:

1693 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

1694 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
1695 period that begins at 10:30 a.m. and ends at 12:59 a.m.

1696 ~~[(7) A full-service restaurant licensee shall maintain at least 70% of its total restaurant~~
1697 ~~business from the sale of food, which does not include:]~~

1698 ~~[(a) mix for an alcoholic product, or]~~

1699 ~~[(b) a service charge.]~~

1700 ~~[(8)]~~ (7) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an
1701 alcoholic product except after the full-service restaurant licensee confirms that the patron has
1702 the intent to order food prepared, sold, and furnished at the licensed premises.

1703 (b) A full-service restaurant licensee shall maintain on the licensed premises adequate
1704 culinary facilities for food preparation and dining accommodations.

1705 ~~[(9)]~~ (8) (a) Subject to the other provisions of this Subsection ~~[(9)]~~ (8), a patron may
1706 not have more than two alcoholic products of any kind at a time before the patron.

1707 (b) A patron may not have more than one spirituous liquor drink at a time before the
1708 patron.

1709 (c) An individual portion of wine is considered to be one alcoholic product under
1710 Subsection ~~[(9)]~~ (8)(a).

1711 ~~[(10)]~~ (9) A patron may consume an alcoholic product only:

1712 (a) at:

1713 (i) the patron's table;

1714 (ii) a counter; or

1715 (iii) a seating grandfathered bar structure; and

1716 (b) where food is served.

1717 ~~[(11)]~~ (10) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish
1718 an alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar
1719 structure that is not a seating grandfathered bar structure.

1720 (b) At a seating grandfathered bar structure a patron who is 21 years of age or older
1721 may:

1722 (i) sit;

1723 (ii) be furnished an alcoholic product; and

1724 (iii) consume an alcoholic product.

1725 (c) Except as provided in Subsection ~~[(11)]~~ (10)(d), at a seating grandfathered bar
1726 structure a full-service restaurant licensee may not permit a minor to, and a minor may not:

1727 (i) sit; or

1728 (ii) consume food or beverages.

1729 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is
1730 employed by a full-service restaurant licensee:

- 1731 (A) as provided in Subsection 32B-5-308(2); or
- 1732 (B) to perform maintenance and cleaning services during an hour when the full-service
- 1733 restaurant licensee is not open for business.
- 1734 (ii) A minor may momentarily pass by a seating grandfathered bar structure without
- 1735 remaining or sitting at the bar structure en route to an area of a full-service restaurant licensee's
- 1736 premises in which the minor is permitted to be.
- 1737 [~~(12)~~] (11) Except as provided in Subsection 32B-5-307(3), a full-service restaurant
- 1738 licensee may dispense an alcoholic product only if:
- 1739 (a) the alcoholic product is dispensed from:
- 1740 (i) a grandfathered bar structure;
- 1741 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
- 1742 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
- 1743 12, 2009; or
- 1744 (iii) an area that is:
- 1745 (A) separated from an area for the consumption of food by a patron by a solid,
- 1746 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
- 1747 an alcoholic product are:
- 1748 (I) not readily visible to a patron; and
- 1749 (II) not accessible by a patron; and
- 1750 (B) apart from an area used:
- 1751 (I) for dining;
- 1752 (II) for staging; or
- 1753 (III) as a lobby or waiting area;
- 1754 (b) the full-service restaurant licensee uses an alcoholic product that is:
- 1755 (i) stored in an area described in Subsection [~~(12)~~] (11)(a); or
- 1756 (ii) in an area not described in Subsection [~~(12)~~] (11)(a) on the licensed premises and:
- 1757 (A) immediately before the alcoholic product is dispensed it is in an unopened
- 1758 container; (B) the unopened container is taken to an area described in Subsection [~~(12)~~] (11)(a)
- 1759 before it is opened; and (C) once opened, the container is stored in an area described in
- 1760 Subsection [~~(12)~~] (11)(a); and
- 1761 (c) any instrument or equipment used to dispense alcoholic product is located in an

1762 area described in Subsection [~~(12)~~] (11)(a).

1763 [~~(13)~~] (12) A full-service restaurant licensee may state in a food or alcoholic product
1764 menu a charge or fee made in connection with the sale, service, or consumption of liquor
1765 including:

1766 (a) a set-up charge;

1767 (b) a service charge; or

1768 (c) a chilling fee.

1769 [~~(14)~~] (13) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
1770 beverages within 10 feet of a grandfathered bar structure, unless:

1771 (a) seating within 10 feet of the grandfathered bar structure is the only seating available
1772 in the licensed premises; and

1773 (b) the minor is accompanied by an individual who is 21 years of age or older.

1774 [~~(15)~~] (14) Except as provided in Subsection [32B-6-205.2](#)[~~(16)~~](15) and Section
1775 [32B-6-205.3](#), the provisions of this section apply before July 1, 2018.

1776 Section 23. Section [32B-6-205.2](#) is amended to read:

1777 **32B-6-205.2. Specific operational requirements for a full-service restaurant**
1778 **license -- On and after July 1, 2018, or July 1, 2022.**

1779 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1780 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
1781 shall comply with this section.

1782 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
1783 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1784 (i) a full-service restaurant licensee;

1785 (ii) individual staff of a full-service restaurant licensee; or

1786 (iii) both a full-service restaurant licensee and staff of the full-service restaurant
1787 licensee.

1788 (2) (a) An individual who serves an alcoholic product in a full-service restaurant
1789 licensee's premises shall make a beverage tab for each table or group that orders or consumes
1790 an alcoholic product on the premises.

1791 (b) A beverage tab described in this Subsection (2) shall state the type and amount of
1792 each alcoholic product ordered or consumed.

1793 (3) A full-service restaurant licensee may not make an individual's willingness to serve
1794 an alcoholic product a condition of employment with a full-service restaurant licensee.

1795 (4) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the
1796 licensed premises during the following time periods only:

1797 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

1798 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
1799 period that begins at 10:30 a.m. and ends at 11:59 p.m.

1800 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the
1801 licensed premises during the following time periods only:

1802 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

1803 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
1804 period that begins at 10:30 a.m. and ends at 12:59 a.m.

1805 ~~[(5) A full-service restaurant licensee shall maintain at least 70% of the full-service~~
1806 ~~restaurant licensee's total restaurant business from the sale of food, which does not include:]~~

1807 ~~[(a) mix for an alcoholic product, or]~~

1808 ~~[(b) a service charge.]~~

1809 ~~[(6)]~~ (5) (a) A full-service restaurant licensee may not furnish an alcoholic product
1810 except after:

1811 (i) the patron to whom the full-service restaurant licensee furnishes the alcoholic
1812 product is seated at:

1813 (A) a table that is located in a dining area or a dispensing area;

1814 (B) a counter that is located in a dining area or a dispensing area; or

1815 (C) a dispensing structure that is located in a dispensing area; and

1816 (ii) the full-service restaurant licensee confirms that the patron intends to:

1817 (A) order food prepared, sold, and furnished at the licensed premises; and

1818 (B) except as provided in Subsection ~~[(6)]~~ (5)(b), consume the food at the same
1819 location where the patron is seated and furnished the alcoholic product.

1820 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a
1821 full-service restaurant licensee, the full-service restaurant licensee may sell, offer for sale, or
1822 furnish to the patron one drink that contains a single portion of an alcoholic product as
1823 described in Section [32B-5-304](#) if:

1824 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing
1825 structure; and

1826 (B) the full-service restaurant licensee first confirms that after the patron is seated in
1827 the dining area, the patron intends to order food prepared, sold, and furnished at the licensed
1828 premises.

1829 (ii) If the patron does not finish the patron's alcoholic product before moving to a seat
1830 in the dining area, an employee of the full-service restaurant licensee who is qualified to sell
1831 and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished portion
1832 of the patron's alcoholic product to the patron's seat in the dining area.

1833 (iii) For purposes of Subsection ~~[(6)]~~ (5)(b)(i) a single portion of wine is 5 ounces or
1834 less.

1835 (c) A full-service restaurant licensee shall maintain on the licensed premises adequate
1836 culinary facilities for food preparation and dining accommodations.

1837 ~~[(7)]~~ (6) A patron may consume an alcoholic product only if the patron is seated at:

1838 (a) a table that is located in a dining area or dispensing area;

1839 (b) a counter that is located in a dining area or dispensing area; or

1840 (c) a dispensing structure located in a dispensing area.

1841 ~~[(8)]~~ (7) (a) Subject to the other provisions of this Subsection ~~[(8)]~~ (7), a patron may
1842 not have more than two alcoholic products of any kind at a time before the patron.

1843 (b) A patron may not have more than one spirituous liquor drink at a time before the
1844 patron.

1845 (c) An individual portion of wine is considered to be one alcoholic product under
1846 Subsection ~~[(8)]~~ (7)(a).

1847 ~~[(9)]~~ (8) In accordance with the provisions of this section, an individual who is at least
1848 21 years of age may consume food and beverages in a dispensing area.

1849 ~~[(10)]~~ (9) (a) Except as provided in Subsection ~~[(10)]~~ (9)(b), a minor may not sit,
1850 remain, or consume food or beverages in a dispensing area.

1851 (b) (i) A minor may be in a dispensing area if the minor is ~~[employed by the~~
1852 ~~full-service restaurant licensee]:~~

1853 ~~[(A) in accordance with Subsection 32B-5-308(2); or]~~

1854 (A) at least 16 years of age and working as an employee of the full-service restaurant

1855 licensee; or

1856 (B) [~~to perform~~] performing maintenance and cleaning services as an employee of the
1857 full-service restaurant licensee when the full-service restaurant licensee is not open for
1858 business.

1859 (ii) If there is no alternative route available, a minor may momentarily pass through a
1860 dispensing area without remaining or sitting in the dispensing area en route to an area of the
1861 full-service restaurant licensee's premises in which the minor is permitted to be.

1862 [~~(H)~~] (10) Except as provided in Subsection 32B-5-307(3), a full-service restaurant
1863 licensee may dispense an alcoholic product only if:

1864 (a) the alcoholic product is dispensed from:

1865 (i) a dispensing structure that is located in a dispensing area;

1866 (ii) an area that is:

1867 (A) separated from an area for the consumption of food by a patron by a solid,
1868 translucent, permanent structural barrier such that the facilities for the dispensing of an
1869 alcoholic product are not readily visible to a patron and not accessible by a patron; and

1870 (B) apart from an area used for dining, for staging, or as a waiting area; or

1871 (iii) the premises of a bar licensee that is:

1872 (A) owned by the same person or persons as the full-service restaurant licensee; and

1873 (B) located immediately adjacent to the premises of the full-service restaurant licensee;

1874 and

1875 (b) any instrument or equipment used to dispense alcoholic product is located in an
1876 area described in Subsection [~~(H)~~] (10)(a).

1877 [~~(H2)~~] (11) (a) A full-service restaurant licensee may have more than one dispensing
1878 area in the licensed premises.

1879 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
1880 dispensing area under Subsection 32B-6-202(2)(a)(i), (ii), or (iii), regardless of how any other
1881 dispensing area in the licensed premises satisfies the requirements for a dispensing area.

1882 [~~(H3)~~] (12) A full-service restaurant licensee may not:

1883 (a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or

1884 (b) display an alcoholic product or a product intended to appear like an alcoholic
1885 product by moving a cart or similar device around the licensed premises.

1886 [~~(14)~~] (13) A full-service restaurant licensee may state in a food or alcoholic product
1887 menu a charge or fee made in connection with the sale, service, or consumption of liquor,
1888 including:

- 1889 (a) a set-up charge;
- 1890 (b) a service charge; or
- 1891 (c) a chilling fee.

1892 [~~(15)~~] (14) (a) In addition to the requirements described in Section 32B-5-302, a
1893 full-service restaurant licensee shall maintain each of the following records for at least three
1894 years:

- 1895 (i) a record required by Section 32B-5-302; and
- 1896 (ii) a record that the commission requires a full-service restaurant licensee to use or
1897 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
1898 Rulemaking Act.
- 1899 (b) The department shall audit the records of a full-service restaurant licensee at least
1900 once each calendar year.

1901 [~~(16)~~] (15) (a) In accordance with Section 32B-6-205.3, a full-service restaurant
1902 licensee:

- 1903 (i) may comply with the provisions of this section beginning on or after July 1, 2017;
- 1904 and
- 1905 (ii) shall comply with the provisions of this section:
 - 1906 (A) for a full-service restaurant licensee that does not have a grandfathered bar
1907 structure, on and after July 1, 2018; or
 - 1908 (B) for a full-service restaurant licensee that has a grandfathered bar structure, on and
1909 after July 1, 2022.

1910 (b) A full-service restaurant licensee that elects to comply with the provisions of this
1911 section before the latest applicable date described in Subsection [~~(16)~~] (15)(a)(ii):

- 1912 (i) shall comply with each provision of this section; and
- 1913 (ii) is not required to comply with the provisions of Section 32B-6-205.

1914 Section 24. Section 32B-6-206 is amended to read:

1915 **32B-6-206. Master full-service restaurant license.**

1916 (1) (a) The commission may issue a master full-service restaurant license that

1917 authorizes a person to store, sell, offer for sale, furnish, or allow the consumption of an
1918 alcoholic product on premises at multiple locations as full-service restaurants if the person
1919 applying for the master full-service restaurant license:

1920 (i) owns each of the full-service restaurants;

1921 (ii) except for the fee requirements, establishes to the satisfaction of the commission
1922 that each location of a full-service restaurant under the master full-service restaurant license
1923 separately meets the requirements of this part; and

1924 (iii) the master full-service restaurant license includes at least five full-service
1925 restaurant locations.

1926 (b) The person seeking a master full-service restaurant license shall designate which
1927 full-service restaurant locations the person seeks to have under the master full-service
1928 restaurant license.

1929 (c) A full-service restaurant location under a master full-service restaurant license is
1930 considered separately licensed for purposes of this title, except as provided in this section.

1931 (2) A master full-service restaurant license and each location designated under
1932 Subsection (1) are considered a single full-service restaurant license for purposes of Subsection
1933 [32B-6-203\(3\)\(a\)](#).

1934 (3) (a) A master full-service restaurant license expires on October 31 of each year.

1935 (b) To renew a person's master full-service restaurant license, a person shall comply
1936 with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than
1937 September 30.

1938 (4) (a) The nonrefundable application fee for a master full-service restaurant license is
1939 \$330.

1940 (b) The initial license fee for a master full-service restaurant license is \$10,000 plus a
1941 separate initial license fee for each newly licensed full-service restaurant license under the
1942 master full-service restaurant license determined in accordance with Subsection
1943 [32B-6-204\(3\)\(b\)](#).

1944 (c) The renewal fee for a master full-service restaurant license is \$1,000 plus a separate
1945 renewal fee for each full-service license under the master full-service restaurant license
1946 determined in accordance with Subsection [32B-6-204\(3\)\(c\)](#).

1947 (5) A new location may be added to a master full-service restaurant license after the

1948 master full-service restaurant license is issued if:

1949 (a) the master full-service restaurant licensee pays a nonrefundable application fee of
1950 \$330; and

1951 (b) including payment of the initial license fee, the location separately meets the
1952 requirements of this part.

1953 (6) (a) A master full-service restaurant licensee shall notify the department of a change
1954 in the persons managing a location covered by a master full-service restaurant license:

1955 (i) immediately, if the management personnel is not management personnel at a
1956 location covered by the master full-service restaurant licensee at the time of the change; or

1957 (ii) within 30 days of the change, if the master full-service restaurant licensee is
1958 transferring management personnel from one location to another location covered by the master
1959 full-service restaurant licensee.

1960 (b) A location covered by a master full-service restaurant license shall keep its own
1961 records on its premises so that the department may audit the records.

1962 (c) A master full-service restaurant licensee may not transfer alcoholic products
1963 between different locations covered by the master full-service restaurant license.

1964 (7) (a) If there is a violation of this title at a location covered by a master full-service
1965 restaurant license, the violation may result in disciplinary action in accordance with Chapter 3,
1966 Disciplinary Actions and Enforcement Act, against:

1967 (i) the single location under a master full-service restaurant license;

1968 (ii) individual staff of the location under the master full-service restaurant license; or

1969 (iii) a combination of persons or locations described in Subsections (7)(a)(i) and (ii).

1970 (b) In addition to disciplinary action under Subsection (7)(a), disciplinary action in
1971 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, may be taken against a
1972 master full-service restaurant licensee or individual staff of the master full-service restaurant
1973 licensee if during a period beginning on November 1 and ending October 31:

1974 (i) at least 25% of the locations covered by the master full-service restaurant license
1975 have been found by the commission to have committed a serious or grave violation of this title,
1976 as defined by rule made by the commission; or

1977 (ii) at least 50% of the locations covered by the master full-service restaurant license
1978 have been found by the commission to have violated this title.

1979 (8) The commission may make rules, in accordance with Title 63G, Chapter 3, Utah
1980 Administrative Rulemaking Act, to establish how a person may apply for a master full-service
1981 restaurant license under this section.

1982 Section 25. Section **32B-6-303** is amended to read:

1983 **32B-6-303. Commission's power to issue limited-service restaurant license.**

1984 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
1985 wine, heavy beer, or beer on its premises as a limited-service restaurant, the person shall first
1986 obtain a limited-service restaurant license from the commission in accordance with this part.

1987 (2) (a) The commission may issue a limited-service restaurant license to establish
1988 limited-service restaurant licensed premises at places and in numbers the commission considers
1989 proper for the storage, sale, offer for sale, furnishing, and consumption of wine, heavy beer, or
1990 beer on premises operated as a limited-service restaurant.

1991 (b) A person may not sell, offer for sale, furnish, or allow the consumption of the
1992 following on the licensed premises of a limited-service restaurant licensee:

- 1993 (i) spirituous liquor; or
- 1994 (ii) a flavored malt beverage.

1995 (3) Subject to Section [32B-1-201](#):

1996 (a) The commission may not issue a total number of limited-service restaurant licenses
1997 that at any time exceeds the number determined by dividing the population of the state by
1998 6,817.

1999 (b) The commission may issue a seasonal limited-service restaurant license in
2000 accordance with Section [32B-5-206](#).

2001 (c) (i) If the location, design, and construction of a hotel may require more than one
2002 limited-service restaurant sales location within the hotel to serve the public convenience, the
2003 commission may authorize the sale of wine, heavy beer, and beer at as many as three
2004 limited-service restaurant locations within the hotel under one limited-service restaurant license
2005 if:

- 2006 (A) the hotel has a minimum of 150 guest rooms; and
- 2007 (B) the locations under the limited-service restaurant license are:
 - 2008 (I) within the same hotel; and
 - 2009 (II) on premises that are managed or operated, and owned or leased, by the

2010 limited-service restaurant licensee.

2011 (ii) A facility other than a hotel shall have a separate limited-service restaurant license
2012 for each limited-service restaurant where wine, heavy beer, or beer is sold, offered for sale, or
2013 furnished.

2014 (4) Except as otherwise provided in Section [32B-1-202](#), the commission may not issue
2015 a limited-service restaurant license for premises that do not meet the proximity requirements of
2016 Subsection [32B-1-202\(2\)](#).

2017 (5) To be licensed as a limited-service restaurant, a person shall maintain at least 70%
2018 of the restaurant's gross revenues from the sale of food, which does not include:

2019 (a) mix for an alcoholic product; or

2020 (b) a service charge.

2021 Section 26. Section **32B-6-305** is amended to read:

2022 **32B-6-305. Specific operational requirements for a limited-service restaurant**
2023 **license -- Before July 1, 2018, or July 1, 2022.**

2024 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2025 Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
2026 licensee shall comply with this section.

2027 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2028 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2029 (i) a limited-service restaurant licensee;

2030 (ii) individual staff of a limited-service restaurant licensee; or

2031 (iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
2032 licensee.

2033 (2) (a) A limited-service restaurant licensee on the licensed premises may not sell, offer
2034 for sale, furnish, or allow consumption of:

2035 (i) spirituous liquor; or

2036 (ii) a flavored malt beverage.

2037 (b) A product listed in Subsection (2)(a) may not be on the premises of a
2038 limited-service restaurant licensee except for use:

2039 (i) as a flavoring on a dessert; and

2040 (ii) in the preparation of a flaming food dish, drink, or dessert.

2041 (3) In addition to complying with Section [32B-5-303](#), a limited-service restaurant
2042 licensee shall store an alcoholic product in a storage area described in Subsection ~~[(12)]~~
2043 (11)(a).

2044 (4) (a) An individual who serves an alcoholic product in a limited-service restaurant
2045 licensee's premises shall make a written beverage tab for each table or group that orders or
2046 consumes an alcoholic product on the premises.

2047 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an
2048 alcoholic product ordered or consumed.

2049 (5) A person's willingness to serve an alcoholic product may not be made a condition
2050 of employment as a server with a limited-service restaurant licensee.

2051 (6) (a) A limited-service restaurant licensee may sell, offer for sale, or furnish wine or
2052 heavy beer at the licensed premises during the following time periods only:

2053 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

2054 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2055 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2056 (b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer at the
2057 licensed premises during the following time periods only:

2058 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2059 (ii) on a weekend or state or federal legal holiday or for a private event, during the
2060 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2061 ~~[(7) A limited-service restaurant licensee shall maintain at least 70% of its total
2062 restaurant business from the sale of food, which does not include a service charge.]~~

2063 [(8)] (7) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish
2064 an alcoholic product except after the limited-service restaurant licensee confirms that the
2065 patron has the intent to order food prepared, sold, and furnished at the licensed premises.

2066 (b) A limited-service restaurant licensee shall maintain on the licensed premises
2067 adequate culinary facilities for food preparation and dining accommodations.

2068 [(9)] (8) (a) Subject to the other provisions of this Subsection [(9)] (8), a patron may
2069 not have more than two alcoholic products of any kind at a time before the patron.

2070 (b) An individual portion of wine is considered to be one alcoholic product under
2071 Subsection [(9)] (8)(a).

2072 [~~(10)~~] (9) A patron may consume an alcoholic product only:

2073 (a) at:

2074 (i) the patron's table;

2075 (ii) a counter; or

2076 (iii) a seating grandfathered bar structure; and

2077 (b) where food is served.

2078 [~~(11)~~] (10) (a) A limited-service restaurant licensee may not sell, offer for sale, or
2079 furnish an alcoholic product to a patron, and a patron may not consume an alcoholic product at
2080 a bar structure that is not a seating grandfathered bar structure.

2081 (b) At a seating grandfathered bar structure a patron who is 21 years of age or older
2082 may:

2083 (i) sit;

2084 (ii) be furnished an alcoholic product; and

2085 (iii) consume an alcoholic product.

2086 (c) Except as provided in Subsection [~~(11)~~] (10)(d), at a seating grandfathered bar
2087 structure a limited-service restaurant licensee may not permit a minor to, and a minor may not:

2088 (i) sit; or

2089 (ii) consume food or beverages.

2090 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is
2091 employed by a limited-service restaurant licensee:

2092 (A) as provided in Subsection [32B-5-308](#)(2); or

2093 (B) to perform maintenance and cleaning services during an hour when the
2094 limited-service restaurant licensee is not open for business.

2095 (ii) A minor may momentarily pass by a seating grandfathered bar structure without
2096 remaining or sitting at the bar structure en route to an area of a limited-service restaurant
2097 licensee's premises in which the minor is permitted to be.

2098 [~~(12)~~] (11) Except as provided in Subsection [32B-5-307](#)(3), a limited-service
2099 restaurant licensee may dispense an alcoholic product only if:

2100 (a) the alcoholic product is dispensed from:

2101 (i) a grandfathered bar structure;

2102 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at

2103 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
2104 12, 2009; or

2105 (iii) an area that is:

2106 (A) separated from an area for the consumption of food by a patron by a solid,
2107 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
2108 an alcoholic product are:

2109 (I) not readily visible to a patron; and

2110 (II) not accessible by a patron; and

2111 (B) apart from an area used:

2112 (I) for dining;

2113 (II) for staging; or

2114 (III) as a lobby or waiting area;

2115 (b) the limited-service restaurant licensee uses an alcoholic product that is:

2116 (i) stored in an area described in Subsection [~~(12)~~] (11)(a); or

2117 (ii) in an area not described in Subsection [~~(12)~~] (11)(a) on the licensed premises and:

2118 (A) immediately before the alcoholic product is dispensed it is in an unopened

2119 container;

2120 (B) the unopened container is taken to an area described in Subsection [~~(12)~~] (11)(a)

2121 before it is opened; and

2122 (C) once opened, the container is stored in an area described in Subsection [~~(12)~~]

2123 (11)(a); and

2124 (c) any instrument or equipment used to dispense alcoholic product is located in an

2125 area described in Subsection [~~(12)~~] (11)(a).

2126 [~~(13)~~] (12) A limited-service restaurant licensee may state in a food or alcoholic
2127 product menu a charge or fee made in connection with the sale, service, or consumption of
2128 wine or heavy beer including:

2129 (a) a set-up charge;

2130 (b) a service charge; or

2131 (c) a chilling fee.

2132 [~~(14)~~] (13) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or

2133 beverages within 10 feet of a grandfathered bar structure, unless:

2134 (a) seating within 10 feet of the grandfathered bar structure is the only seating available
2135 in the licensed premises; and

2136 (b) the minor is accompanied by an individual who is 21 years of age or older.

2137 [~~(15)~~] (14) Except as provided in Subsection 32B-6-305.2[~~(16)~~](15) and Section
2138 32B-6-305.3, the provisions of this section apply before July 1, 2018.

2139 Section 27. Section 32B-6-305.2 is amended to read:

2140 **32B-6-305.2. Specific operational requirements for a limited-service restaurant**
2141 **license -- On and after July 1, 2018, or July 1, 2022.**

2142 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2143 Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
2144 licensee shall comply with this section.

2145 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
2146 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2147 (i) a limited-service restaurant licensee;

2148 (ii) individual staff of a limited-service restaurant licensee; or

2149 (iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
2150 licensee.

2151 (2) (a) An individual who serves an alcoholic product in a limited-service restaurant
2152 licensee's premises shall make a beverage tab for each table or group that orders or consumes
2153 an alcoholic product on the premises.

2154 (b) A beverage tab described in this Subsection (2) shall state the type and amount of
2155 each alcoholic product ordered or consumed.

2156 (3) A limited-service restaurant licensee may not make an individual's willingness to
2157 serve an alcoholic product a condition of employment with a limited-service restaurant
2158 licensee.

2159 (4) (a) A limited-service restaurant licensee may sell, offer for sale, or furnish wine or
2160 heavy beer at the licensed premises during the following time periods only:

2161 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

2162 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2163 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2164 (b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer at the

2165 licensed premises during the following time periods only:

2166 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2167 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2168 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2169 ~~[(5) A limited-service restaurant licensee shall maintain at least 70% of the~~
2170 ~~limited-service restaurant licensee's total restaurant business from the sale of food, which does~~
2171 ~~not include a service charge.]~~

2172 ~~[(6)]~~ (5) (a) A limited-service restaurant licensee may not furnish an alcoholic product
2173 except after:

2174 (i) the patron to whom the limited-service restaurant licensee furnishes the alcoholic
2175 product is seated at:

2176 (A) a table that is located in a dining area or a dispensing area;

2177 (B) a counter that is located in a dining area or a dispensing area; or

2178 (C) a dispensing structure that is located in a dispensing area; and

2179 (ii) the limited-service restaurant licensee confirms that the patron intends to:

2180 (A) order food prepared, sold, and furnished at the licensed premises; and

2181 (B) except as provided in Subsection ~~[(6)]~~ (5)(b), consume the food at the same
2182 location where the patron is seated and furnished the alcoholic product.

2183 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a
2184 limited-service restaurant licensee, the limited-service restaurant licensee may sell, offer for
2185 sale, or furnish to the patron one drink that contains a single portion of an alcoholic product as
2186 described in Section 32B-5-304 if:

2187 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing
2188 structure; and

2189 (B) the limited-service restaurant licensee first confirms that after the patron is seated
2190 in the dining area, the patron intends to order food prepared, sold, and furnished at the licensed
2191 premises.

2192 (ii) If the patron does not finish the patron's alcoholic product before moving to a seat
2193 in the dining area, an employee of the limited-service restaurant licensee who is qualified to
2194 sell and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished
2195 portion of the patron's alcoholic product to the patron's seat in the dining area.

2196 (iii) For purposes of Subsection ~~[(6)]~~ (5)(b)(i) a single portion of wine is 5 ounces or
2197 less.

2198 (c) A limited-service restaurant licensee shall maintain on the licensed premises
2199 adequate culinary facilities for food preparation and dining accommodations.

2200 ~~[(7)]~~ (6) A patron may consume an alcoholic product only if the patron is seated at:

2201 (a) a table that is located in a dining area or a dispensing area;

2202 (b) a counter that is located in a dining area or a dispensing area; or

2203 (c) a dispensing structure located in a dispensing area.

2204 ~~[(8)]~~ (7) (a) Subject to the other provisions of this Subsection ~~[(8)]~~ (7), a patron may
2205 not have more than two alcoholic products of any kind at a time before the patron.

2206 (b) An individual portion of wine is considered to be one alcoholic product under
2207 Subsection ~~[(8)]~~ (7)(a).

2208 ~~[(9)]~~ (8) In accordance with the provisions of this section, an individual who is at least
2209 21 years of age may consume food and beverages in a dispensing area.

2210 ~~[(10)]~~ (9) (a) Except as provided in Subsection ~~[(10)]~~ (9)(b), a minor may not sit,
2211 remain, or consume food or beverages in a dispensing area.

2212 (b) (i) A minor may be in a dispensing area if the minor is ~~[employed by the~~
2213 ~~limited-service restaurant licensee]:~~

2214 ~~[(A) in accordance with Subsection 32B-5-308(2); or]~~

2215 (A) at least 16 years of age and working as an employee of the limited-service
2216 restaurant licensee; or

2217 (B) ~~[to perform]~~ performing maintenance and cleaning services as an employee of the
2218 limited-service restaurant licensee when the limited-service restaurant licensee is not open for
2219 business.

2220 (ii) If there is no alternative route available, a minor may momentarily pass through a
2221 dispensing area without remaining or sitting in the dispensing area en route to an area of the
2222 limited-service restaurant licensee's premises in which the minor is permitted to be.

2223 ~~[(11)]~~ (10) Except as provided in Subsection 32B-5-307(3), a limited-service restaurant
2224 licensee may dispense an alcoholic product only if:

2225 (a) the alcoholic product is dispensed from:

2226 (i) a dispensing structure that is located in a dispensing area;

2227 (ii) an area that is:

2228 (A) separated from an area for the consumption of food by a patron by a solid,
2229 translucent, permanent structural barrier such that the facilities for the dispensing of an
2230 alcoholic product are not readily visible to a patron and not accessible by a patron; and

2231 (B) apart from an area used for dining, for staging, or as a waiting area; or

2232 (iii) the premises of a bar licensee that is:

2233 (A) owned by the same person or persons as the limited-service restaurant licensee; and

2234 (B) located immediately adjacent to the premises of the limited-service restaurant

2235 licensee; and

2236 (b) any instrument or equipment used to dispense alcoholic product is located in an
2237 area described in Subsection ~~[(11)]~~ (10)(a).

2238 ~~[(12)]~~ (11) (a) A limited-service restaurant licensee may have more than one
2239 dispensing area in the licensed premises.

2240 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
2241 dispensing area under Subsection 32B-6-202(2)(a)(i), (ii), or (iii), regardless of how any other
2242 dispensing area in the licensed premises satisfies the requirements for a dispensing area.

2243 ~~[(13)]~~ (12) A limited-service restaurant licensee may not:

2244 (a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or

2245 (b) display an alcoholic product or a product intended to appear like an alcoholic
2246 product by moving a cart or similar device around the licensed premises.

2247 ~~[(14)]~~ (13) A limited-service restaurant licensee may state in a food or alcoholic
2248 product menu a charge or fee made in connection with the sale, service, or consumption of
2249 wine or heavy beer, including:

2250 (a) a set-up charge;

2251 (b) a service charge; or

2252 (c) a chilling fee.

2253 ~~[(15)]~~ (14) (a) In addition to the requirements described in Section 32B-5-302, a
2254 limited-service restaurant licensee shall maintain each of the following records for at least three
2255 years:

2256 (i) a record required by Section 32B-5-302; and

2257 (ii) a record that the commission requires a limited-service restaurant licensee to use or

2258 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2259 Rulemaking Act.

2260 (b) The department shall audit the records of a limited-service restaurant licensee at
2261 least once each calendar year.

2262 ~~[(16)]~~ (15) (a) In accordance with Section [32B-6-305.3](#), a limited-service restaurant
2263 licensee:

2264 (i) may comply with the provisions of this section beginning on or after July 1, 2017;
2265 and

2266 (ii) shall comply with the provisions of this section:

2267 (A) for a limited-service restaurant licensee that does not have a grandfathered bar
2268 structure, on and after July 1, 2018; or

2269 (B) for a limited-service restaurant licensee that has a grandfathered bar structure, on
2270 and after July 1, 2022.

2271 (b) A limited-service restaurant licensee that elects to comply with the provisions of
2272 this section before the latest applicable date described in Subsection ~~[(16)]~~ (15)(a)(ii):

2273 (i) shall comply with each provision of this section; and

2274 (ii) is not required to comply with the provisions of Section [32B-6-305](#).

2275 Section 28. Section **32B-6-603** is amended to read:

2276 **32B-6-603. Commission's power to issue on-premise banquet license -- Contracts**
2277 **as host.**

2278 (1) (a) Before a person may store, sell, offer for sale, furnish, or allow the consumption
2279 of an alcoholic product in connection with the person's banquet and room service activities at
2280 one of the following, the person shall first obtain an on-premise banquet license in accordance
2281 with this part:

2282 (i) a hotel;

2283 (ii) a resort facility;

2284 (iii) a sports center; ~~[or]~~

2285 (iv) a convention center~~[-];~~ or

2286 (v) a performing arts facility.

2287 (b) This part does not prohibit an alcoholic product on the premises of a person listed
2288 in Subsection (1)(a) to the extent otherwise permitted by this title.

2289 (c) This section does not prohibit a person who applies for an on-premise banquet
2290 license to also apply for a package agency if otherwise qualified.

2291 (2) The commission may issue an on-premise banquet license to establish on-premise
2292 banquet licensees in the numbers the commission considers proper for the storage, sale, offer
2293 for sale, furnishing, and consumption of an alcoholic product at a banquet or as part of room
2294 service activities operated by an on-premise banquet licensee.

2295 (3) Subject to Section 32B-1-201, the commission may not issue a total number of
2296 on-premise banquet licenses that at any time exceed the number determined by dividing the
2297 population of the state by 28,765.

2298 (4) Pursuant to a contract between the host of a banquet and an on-premise banquet
2299 licensee:

2300 (a) the host of the banquet may request an on-premise banquet licensee to provide an
2301 alcoholic product served at the banquet; and

2302 (b) an on-premise banquet licensee may provide an alcoholic product served at the
2303 banquet.

2304 (5) At a banquet, an on-premise banquet licensee may furnish an alcoholic product:

2305 (a) without charge to a patron at a banquet, except that the host of the banquet shall pay
2306 for an alcoholic product furnished at the banquet; or

2307 (b) with a charge to a patron at the banquet.

2308 (6) To be licensed as an on-premise banquet, a person shall maintain at least 50% of
2309 the person's total annual banquet gross receipts from the sale of food, which does not include:

2310 (a) mix for an alcoholic product; or

2311 (b) a charge in connection with the furnishing of an alcoholic product.

2312 Section 29. Section 32B-6-605 is amended to read:

2313 **32B-6-605. Specific operational requirements for on-premise banquet license.**

2314 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2315 Requirements, an on-premise banquet licensee and staff of the on-premise banquet licensee
2316 shall comply with this section.

2317 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2318 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2319 (i) an on-premise banquet licensee;

2320 (ii) individual staff of an on-premise banquet licensee; or
2321 (iii) both an on-premise banquet licensee and staff of the on-premise banquet licensee.

2322 (2) An on-premise banquet licensee shall comply with Subsections 32B-5-301(4) and
2323 (5) for the entire premises of the hotel, resort facility, sports center, [or] convention center, or
2324 performing arts facility that is the basis for the on-premise banquet license.

2325 (3) (a) For the purpose described in Subsection (3)(b), an on-premise banquet licensee
2326 shall provide the department with advance notice of a scheduled banquet in accordance with
2327 rules made by the commission.

2328 (b) Any of the following may conduct a random inspection of a banquet:

- 2329 (i) an authorized representative of the commission or the department; or
- 2330 (ii) a law enforcement officer.

2331 (4) (a) An on-premise banquet licensee is not subject to Section 32B-5-302, but shall
2332 make and maintain the records the commission or department requires.

2333 (b) Section 32B-1-205 applies to a record required to be made or maintained in
2334 accordance with this Subsection (4).

2335 (5) (a) Except as otherwise provided in this title, an on-premise banquet licensee may
2336 sell, offer for sale, or furnish an alcoholic product at a banquet only for consumption at the
2337 location of the banquet.

2338 (b) Except as provided in Subsection 32B-5-307(4), a host of a banquet, a patron, or a
2339 person other than the on-premise banquet licensee or staff of the on-premise banquet licensee,
2340 may not remove an alcoholic product from the premises of the banquet.

2341 (c) Notwithstanding Subsection 32B-5-307(3) and except as provided in Subsection
2342 32B-5-307(4), a patron at a banquet may not bring an alcoholic product into or onto, or remove
2343 an alcoholic product from, the premises of a banquet.

2344 (6) (a) An on-premise banquet licensee may not leave an unsold alcoholic product at
2345 the banquet following the conclusion of the banquet.

2346 (b) At the conclusion of a banquet, an on-premise banquet licensee shall:

- 2347 (i) destroy an opened and unused alcoholic product that is not saleable, under
2348 conditions established by the department; and

2349 (ii) return to the on-premise banquet licensee's approved locked storage area any:

2350 (A) opened and unused alcoholic product that is saleable; and

2351 (B) unopened container of an alcoholic product.

2352 (c) Except as provided in Subsection (6)(b) with regard to an open or sealed container
2353 of an alcoholic product not sold or consumed at a banquet, an on-premise banquet licensee:

2354 (i) shall store the alcoholic product in the on-premise banquet licensee's approved
2355 locked storage area; and

2356 (ii) may use the alcoholic product at more than one banquet.

2357 (7) Notwithstanding Section [32B-5-308](#), an on-premise banquet licensee may not
2358 employ a minor to sell, furnish, or dispense an alcoholic product in connection with the
2359 on-premise banquet licensee's banquet and room service activities.

2360 (8) An on-premise banquet licensee:

2361 (a) may provide room service in portions described in Section [32B-5-304](#); and

2362 (b) may not sell, offer for sale, or furnish an alcoholic product at a banquet or in
2363 connection with room service any day during a period that:

2364 ~~[(a)]~~ (i) begins at 1 a.m.; and

2365 ~~[(b)]~~ (ii) ends at 9:59 a.m.

2366 ~~[(9) An on-premise banquet licensee shall maintain at least 50% of its total annual~~
2367 ~~banquet gross receipts from the sale of food, not including:]~~

2368 ~~[(a) mix for an alcoholic product; and]~~

2369 ~~[(b) a charge in connection with the furnishing of an alcoholic product.]~~

2370 ~~[(10)]~~ (9) (a) Subject to the other provisions of this Subsection ~~[(10)]~~ (9), a patron may
2371 not have more than two alcoholic products of any kind at a time before the patron.

2372 (b) A patron may not have more than one spirituous liquor drink at a time before the
2373 patron.

2374 (c) An individual portion of wine is considered to be one alcoholic product under
2375 Subsection ~~[(10)]~~ (9)(a).

2376 ~~[(11)]~~ (10) (a) An on-premise banquet licensee shall supervise and direct a person
2377 involved in the sale, offer for sale, or furnishing of an alcoholic product.

2378 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
2379 shall complete an alcohol training and education seminar.

2380 ~~[(12)]~~ (11) A staff person of an on-premise banquet licensee shall remain at the
2381 banquet at all times when an alcoholic product is sold, offered for sale, furnished, or consumed

2382 at the banquet.

2383 ~~[(13)]~~ (12) (a) Room service of an alcoholic product to a guest room of a hotel or resort
2384 facility shall be provided in person by staff of an on-premise banquet licensee only to an adult
2385 guest in the guest room.

2386 (b) An alcoholic product may not be left outside a guest room for retrieval by a guest.

2387 (13) An on-premise banquet licensee may not maintain a minibar.

2388 Section 30. Section **32B-6-702** is amended to read:

2389 **32B-6-702. Definitions.**

2390 As used in this part, "recreational amenity" ~~[is defined by the commission by rule made~~
2391 ~~in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act. A rule made~~
2392 ~~under this section shall define "recreational amenity" to be one or more of the following or an~~
2393 ~~activity substantially similar to one of the following]~~ means:

2394 (1) a billiard parlor;

2395 (2) a pool parlor;

2396 (3) a bowling facility;

2397 (4) a golf course;

2398 (5) miniature golf;

2399 (6) a golf driving range;

2400 (7) a tennis club;

2401 (8) a sports facility that hosts professional sporting events and has a seating capacity
2402 equal to or greater than 6,500;

2403 (9) a concert venue that has a seating capacity equal to or greater than 6,500;

2404 (10) one of the following if owned by a government agency:

2405 (a) a convention center;

2406 (b) a fair facility;

2407 (c) an equestrian park;

2408 (d) a theater; or

2409 (e) a concert venue;

2410 (11) an amusement park:

2411 (a) with one or more permanent amusement rides; and

2412 (b) located on at least 50 acres;

- 2413 (12) a ski resort;
- 2414 (13) a venue for live entertainment if the venue:
 - 2415 (a) is not regularly open for more than five hours on any day;
 - 2416 (b) is operated so that food is available whenever beer is sold, offered for sale, or
 - 2417 furnished at the venue; and
 - 2418 (c) is operated so that no more than 15% of its total annual receipts are from the sale of
 - 2419 beer; or
- 2420 (14) concessions operated within the boundary of a park administered by the:
 - 2421 (a) Division of Parks and Recreation; or
 - 2422 (b) National Parks Service.
- 2423 Section 31. Section **32B-6-703** is amended to read:
- 2424 **32B-6-703. Commission's power to issue on-premise beer retailer license.**
- 2425 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
- 2426 beer on the premises as an on-premise beer retailer, the person shall first obtain an on-premise
- 2427 beer retailer license from the commission in accordance with this part.
- 2428 (2) (a) The commission may issue an on-premise beer retailer license to establish
- 2429 on-premise beer retailer licensed premises at places and in numbers as the commission
- 2430 considers proper for the storage, sale, offer for sale, furnishing, and consumption of beer on
- 2431 premises operated as an on-premise beer retailer.
- 2432 (b) At the time that the commission issues an on-premise beer retailer license, the
- 2433 commission shall designate whether the on-premise beer retailer is a tavern.
- 2434 (c) The commission may change its designation of whether an on-premise beer retailer
- 2435 is a tavern in accordance with rules made by the commission.
- 2436 (d) (i) In determining whether an on-premise beer retailer is a tavern, the commission
- 2437 shall determine whether the on-premise beer retailer will engage primarily in the retail sale of
- 2438 beer for consumption on the establishment's premises.
- 2439 (ii) In making a determination under this Subsection (2)(d), the commission shall
- 2440 consider:
 - 2441 (A) whether the on-premise beer retailer will operate as one of the following:
 - 2442 (I) a beer bar;
 - 2443 (II) a parlor;

- 2444 (III) a lounge;
- 2445 (IV) a cabaret; or
- 2446 (V) a nightclub;
- 2447 (B) if the on-premise beer retailer will operate as described in Subsection (2)(d)(ii)(A):
- 2448 (I) whether the on-premise beer retailer will sell food in the establishment; and
- 2449 (II) if the on-premise beer retailer sells food, whether the revenue from the sale of beer
- 2450 will exceed the revenue of the sale of food;
- 2451 (C) whether full meals including appetizers, main courses, and desserts will be served;
- 2452 (D) the square footage and seating capacity of the premises;
- 2453 (E) what portion of the square footage and seating capacity will be used for a dining
- 2454 area in comparison to the portion that will be used as a lounge or bar area;
- 2455 (F) whether the person will maintain adequate on-premise culinary facilities to prepare
- 2456 full meals, except a person that is located on the premises of a hotel or resort facility may use
- 2457 the culinary facilities of the hotel or resort facility;
- 2458 (G) whether the entertainment provided on the premises of the beer retailer will be
- 2459 suitable for minors; and
- 2460 (H) the beer retailer management's ability to manage and operate an on-premise beer
- 2461 retailer license including:
- 2462 (I) management experience;
- 2463 (II) past beer retailer management experience; and
- 2464 (III) the type of management scheme that will be used by the beer retailer.
- 2465 (e) On or after March 1, 2012:
- 2466 (i) To be licensed as an on-premise beer retailer that is not a tavern, a person shall:
- 2467 (A) maintain at least 70% of the person's total gross revenues from business directly
- 2468 related to a recreational amenity on or directly adjoining the licensed premises of the beer
- 2469 retailer, except that a person may include gross revenue from business directly related to a
- 2470 recreational amenity that is owned or operated by a political subdivision if the person has a
- 2471 contract meeting the requirements of Subsection (2)(e)(iv) with the political subdivision; or
- 2472 (B) have a recreational amenity on or directly adjoining the licensed premises of the
- 2473 beer retailer and maintain at least 70% of the person's total gross revenues from the sale of
- 2474 food.

- 2475 (ii) The commission may not license a person as an on-premise beer retailer if the
2476 person does not:
- 2477 (A) meet the requirements of Subsection (2)(e)(i); or
2478 (B) operate as a tavern.
- 2479 (iii) A person who, after August 1, 2011, applies for an on-premise beer retailer license
2480 that is not a tavern and does not meet the requirements of Subsection (2)(e)(i), may not have or
2481 construct facilities for the dispensing or storage of an alcoholic product that do not meet the
2482 requirements of Subsection [32B-6-905](#)~~(12)~~(11)(a)(ii).
- 2483 (iv) A contract described in Subsection (2)(e)(i)(A) shall:
- 2484 (A) allow the beer retailer to include the total gross revenue from operations of the
2485 recreational amenity in the beer retailer's total gross receipts for purposes of Subsection
2486 (2)(e)(i)(A); and
- 2487 (B) give the department the authority to audit financial information of the political
2488 subdivision to the extent necessary to confirm that the requirements of Subsection (2)(e)(i)(A)
2489 are met.
- 2490 (3) Subject to Section [32B-1-201](#):
- 2491 (a) The commission may not issue a total number of on-premise beer retailer licenses
2492 that are taverns that at any time exceeds the number determined by dividing the population of
2493 the state by 73,666.
- 2494 (b) The commission may issue a seasonal on-premise beer retailer license for a tavern
2495 in accordance with Section [32B-5-206](#).
- 2496 (4) (a) Unless otherwise provided in Subsection (4)(b):
- 2497 (i) only one on-premise beer retailer license is required for each building or resort
2498 facility owned or leased by the same person; and
- 2499 (ii) a separate license is not required for each retail beer dispensing location in the
2500 same building or on the same resort premises owned or operated by the same person.
- 2501 (b) (i) Subsection (4)(a) applies only if each retail beer dispensing location in the
2502 building or resort facility operates in the same manner.
- 2503 (ii) If each retail beer dispensing location does not operate in the same manner:
- 2504 (A) one on-premise beer retailer license designated as a tavern is required for the
2505 locations in the same building or on the same resort premises that operate as a tavern; and

2506 (B) one on-premise beer retailer license is required for the locations in the same
2507 building or on the same resort premises that do not operate as a tavern.

2508 Section 32. Section **32B-6-803** is amended to read:

2509 **32B-6-803. Commission's power to issue reception center license.**

2510 (1) Before a person may store, sell, offer for sale, or furnish an alcoholic product on its
2511 premises as a reception center, the person shall first obtain a reception center license from the
2512 commission in accordance with this part.

2513 (2) The commission may issue a reception center license to establish reception center
2514 licensed premises at places and in numbers the commission considers proper for the storage,
2515 sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated
2516 as a reception center.

2517 (3) Subject to Section **32B-1-201**, the commission may not issue a total number of
2518 reception center licenses that at any time exceeds the number determined by dividing the
2519 population of the state by 251,693.

2520 (4) The commission may not issue a reception center license for premises that do not
2521 meet the proximity requirements of Section **32B-1-202**.

2522 (5) (a) To be licensed as a reception center, a person may not maintain in excess of
2523 30% of its total annual receipts from the sale of an alcoholic product, which includes:

2524 (i) mix for an alcoholic product; or

2525 (ii) a charge in connection with the furnishing of an alcoholic product.

2526 (b) A reception center licensee shall report the information necessary to show
2527 compliance with this Subsection (5) to the department on an annual basis.

2528 Section 33. Section **32B-6-805** is amended to read:

2529 **32B-6-805. Specific operational requirements for a reception center license.**

2530 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2531 Requirements, a reception center licensee and staff of the reception center licensee shall
2532 comply with this section.

2533 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2534 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2535 (i) a reception center licensee;

2536 (ii) individual staff of a reception center licensee; or

2537 (iii) both a reception center licensee and staff of the reception center licensee.

2538 (2) In addition to complying with Section 32B-5-303, a reception center licensee shall
2539 store an alcoholic product in a storage area described in Subsection [~~(15)~~] (14)(a).

2540 (3) (a) For the purpose described in Subsection (3)(b), a reception center licensee shall
2541 provide the following with advance notice of a scheduled event in accordance with rules made
2542 by the commission:

2543 (i) the department; and

2544 (ii) the local law enforcement agency responsible for the enforcement of this title in the
2545 jurisdiction where the reception center is located.

2546 (b) Any of the following may conduct a random inspection of an event:

2547 (i) an authorized representative of the commission or the department; or

2548 (ii) a law enforcement officer.

2549 (4) (a) Except as otherwise provided in this title, a reception center licensee may sell,
2550 offer for sale, or furnish an alcoholic product at an event only for consumption at the reception
2551 center's licensed premises.

2552 (b) A host of an event, a patron, or a person other than the reception center licensee or
2553 staff of the reception center licensee, may not remove an alcoholic product from the reception
2554 center's licensed premises.

2555 (c) Notwithstanding Section 32B-5-307, a patron at an event may not bring an
2556 alcoholic product into or onto, or remove an alcoholic product from, the reception center.

2557 (5) (a) A reception center licensee may not leave an unsold alcoholic product at an
2558 event following the conclusion of the event.

2559 (b) At the conclusion of an event, a reception center licensee shall:

2560 (i) destroy an opened and unused alcoholic product that is not saleable, under
2561 conditions established by the department; and

2562 (ii) return to the reception center licensee's approved locked storage area any:

2563 (A) opened and unused alcoholic product that is saleable; and

2564 (B) unopened container of an alcoholic product.

2565 (c) Except as provided in Subsection (5)(b) with regard to an open or sealed container
2566 of an alcoholic product not sold or consumed at an event, a reception center licensee:

2567 (i) shall store the alcoholic product in accordance with Subsection (2); and

- 2568 (ii) may use the alcoholic product at more than one event.
- 2569 (6) Notwithstanding Section 32B-5-308, a reception center licensee may not employ a
2570 minor in connection with an event at the reception center at which food is not made available.
- 2571 (7) A person's willingness to serve an alcoholic product may not be made a condition
2572 of employment as a server with a reception center licensee.
- 2573 (8) A reception center licensee may not sell, offer for sale, or furnish an alcoholic
2574 product at the licensed premises on any day during the period that:
- 2575 (a) begins at 1 a.m.; and
- 2576 (b) ends at 9:59 a.m.
- 2577 ~~[(9) (a) A reception center licensee may not maintain in excess of 30% of its total
2578 annual receipts from the sale of an alcoholic product, which includes:]~~
- 2579 ~~[(i) mix for an alcoholic product; or]~~
- 2580 ~~[(ii) a charge in connection with the furnishing of an alcoholic product.]~~
- 2581 ~~[(b) A reception center licensee shall report the information necessary to show
2582 compliance with this Subsection (9) to the department on an annual basis.]~~
- 2583 ~~[(10)] (9)~~ (9) A reception center licensee may not sell, offer for sale, or furnish an
2584 alcoholic product at an event at which a minor is present unless the reception center licensee
2585 makes food available at all times when an alcoholic product is sold, offered for sale, furnished,
2586 or consumed during the event.
- 2587 ~~[(11)] (10)~~ (a) Subject to the other provisions of this Subsection ~~[(11)] (10)~~, a patron
2588 may not have more than two alcoholic products of any kind at a time before the patron.
- 2589 (b) An individual portion of wine is considered to be one alcoholic product under
2590 Subsection ~~[(11)] (10)~~(a).
- 2591 ~~[(12)] (11)~~ (a) A reception center licensee shall supervise and direct a person involved
2592 in the sale, offer for sale, or furnishing of an alcoholic product.
- 2593 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
2594 shall complete an alcohol training and education seminar.
- 2595 ~~[(13)] (12)~~ (12) A staff person of a reception center licensee shall remain at an event at all
2596 times when an alcoholic product is sold, offered for sale, furnished, or consumed at the event.
- 2597 ~~[(14)] (13)~~ (13) A reception center licensee may not sell, offer for sale, or furnish an
2598 alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar

2599 structure.

2600 ~~[(15)]~~ (14) Except as provided in Subsection ~~[(16)]~~ (15), a reception center licensee
2601 may dispense an alcoholic product only if:

2602 (a) the alcoholic product is dispensed from an area that is:

2603 (i) separated from an area for the consumption of food by a patron by a solid,
2604 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
2605 an alcoholic product are:

2606 (A) not readily visible to a patron; and

2607 (B) not accessible by a patron; and

2608 (ii) apart from an area used:

2609 (A) for staging; or

2610 (B) as a lobby or waiting area;

2611 (b) the reception center licensee uses an alcoholic product that is:

2612 (i) stored in an area described in Subsection ~~[(15)]~~ (14)(a); or

2613 (ii) in an area not described in Subsection ~~[(15)]~~ (14)(a) on the licensed premises and:

2614 (A) immediately before the alcoholic product is dispensed it is in an unopened

2615 container;

2616 (B) the unopened container is taken to an area described in Subsection ~~[(15)]~~ (14)(a)

2617 before it is opened; and

2618 (C) once opened, the container is stored in an area described in Subsection ~~[(15)]~~

2619 (14)(a); and

2620 (c) any instrument or equipment used to dispense an alcoholic product is located in an

2621 area described in Subsection ~~[(15)]~~ (14)(a).

2622 ~~[(16)]~~ (15) A reception center licensee may dispense an alcoholic product from a
2623 mobile serving area that:

2624 (a) is moved only by staff of the reception center licensee;

2625 (b) is capable of being moved by only one individual; and

2626 (c) is no larger than 6 feet long and 30 inches wide.

2627 ~~[(17)]~~ (16) (a) A reception center licensee may not have an event on the licensed

2628 premises except pursuant to a contract between a third party host of the event and the reception

2629 center licensee under which the reception center licensee provides an alcoholic product sold,

2630 offered for sale, or furnished at an event.

2631 (b) At an event, a reception center licensee may furnish an alcoholic product:

2632 (i) without charge to a patron, except that the third party host of the event shall pay for
2633 an alcoholic product furnished at the event; or

2634 (ii) with a charge to a patron at the event.

2635 (c) The commission may by rule define what constitutes a "third-party host" for
2636 purposes of this Subsection [~~(17)~~] (16) so that a reception center licensee and the third-party
2637 host are not owned by or operated by the same persons, except that the rule shall permit a
2638 reception center licensee to host an event for an immediate family member of the reception
2639 center licensee.

2640 [~~(18)~~] (17) A reception center licensee shall have culinary facilities that are:

2641 (a) adequate to prepare a full meal; and

2642 (b) (i) located on the licensed premises; or

2643 (ii) under the same control as the reception center licensee.

2644 [~~(19)~~] (18) (a) Except as provided in Subsection [~~(19)~~] (18)(b), a reception center
2645 licensee may not operate an event:

2646 (i) that is open to the general public; and

2647 (ii) at which an alcoholic product is sold or offered for sale.

2648 (b) A reception center licensee may operate an event described in Subsection [~~(19)~~]
2649 (18)(a) if the event is hosted:

2650 (i) at the reception center no more frequently than once a calendar year; and

2651 (ii) by a nonprofit organization that is organized and qualified under Section 501(c),
2652 Internal Revenue Code.

2653 Section 34. Section **32B-6-902** is amended to read:

2654 **32B-6-902. Definitions.**

2655 (1) As used in this part:

2656 (a) (i) "Dining area" means an area in the licensed premises of a beer-only restaurant
2657 licensee that is primarily used for the service and consumption of food by one or more patrons.

2658 (ii) "Dining area" does not include a dispensing area.

2659 (b) (i) "Dispensing area" means an area in the licensed premises of a beer-only
2660 restaurant licensee where a dispensing structure is located and that:

2661 (A) is physically separated from the dining area and any waiting area by a structure or
2662 other barrier that prevents a patron seated in the dining area or a waiting area from viewing the
2663 dispensing of beer;

2664 (B) except as provided in Subsection (1)(b)(ii), measures at least 10 feet from the
2665 dining area and any waiting area to the nearest edge of the dispensing structure; or

2666 (C) is physically separated from the dining area and any waiting area by a permanent
2667 physical structure that complies with the provisions of Title 15A, State Construction and Fire
2668 Codes Act, and, to the extent allowed under Title 15A, State Construction and Fire Codes Act,
2669 measures at least 42 inches high, and at least 60 inches from the inside edge of the barrier to
2670 the nearest edge of the dispensing structure.

2671 (ii) "Dispensing area" does not include any area described in Subsection (1)(b)(i)(B)
2672 that is less than 10 feet from an area where beer is dispensed, but from which a patron seated at
2673 a table or counter cannot view the dispensing of beer.

2674 (c) "Grandfathered bar structure" means a bar structure in a licensed premises of a
2675 beer-only restaurant licensee that:

2676 (i) was licensed as an on-premise beer retailer as of August 1, 2011, and as of August
2677 1, 2011:

2678 (A) is operational;

2679 (B) has facilities for the dispensing or storage of an alcoholic product that do not meet
2680 the requirements of Subsection 32B-6-905[(12)](11)(a)(ii); and

2681 (C) in accordance with Subsection 32B-6-703(2)(e), notifies the department that
2682 effective March 1, 2012, the on-premise beer retailer licensee will seek to be licensed as a
2683 beer-only restaurant; or

2684 (ii) is a bar structure grandfathered under Section 32B-6-409.

2685 (d) "Grandfathered bar structure" does not include a grandfathered bar structure
2686 described in Subsection (1)(a) on or after the day on which a restaurant remodels the
2687 grandfathered bar structure, as defined by rule made by the commission.

2688 (e) "Small beer-only restaurant licensee" means a beer-only restaurant licensee that has
2689 a grandfathered bar structure whose dispensing area includes more than 45% of the available
2690 seating for patrons on the licensed premises, excluding outdoor seating:

2691 (i) when measured in accordance with Subsection (1)(b)(i)(B); and

2692 (ii) based on the licensee's floor plan on file with the department on July 1, 2017.

2693 (f) "Waiting area" includes a lobby.

2694 (2) Subject to Subsection (1)(d), a grandfathered bar structure remains a grandfathered
2695 bar structure notwithstanding whether a restaurant undergoes a change of ownership.

2696 Section 35. Section **32B-6-903** is amended to read:

2697 **32B-6-903. Commission's power to issue beer-only restaurant license.**

2698 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
2699 beer on its premises as a beer-only restaurant, the person shall first obtain a beer-only
2700 restaurant license from the commission in accordance with this part.

2701 (2) (a) The commission may issue a beer-only restaurant license to establish beer-only
2702 restaurant licensed premises at places and in numbers the commission considers proper for the
2703 storage, sale, offer for sale, furnishing, and consumption of beer on premises operated as a
2704 beer-only restaurant.

2705 (b) A person may not sell, offer for sale, furnish, or allow the consumption of liquor on
2706 the licensed premises of a beer-only restaurant licensee.

2707 (3) (a) Only one beer-only restaurant license is required for each building or resort
2708 facility owned or leased by the same person.

2709 (b) A separate license is not required for each beer-only restaurant license dispensing
2710 location in the same building or on the same resort premises owned or operated by the same
2711 person.

2712 (4) Except as otherwise provided in Section [32B-1-202](#), the commission may not issue
2713 a beer-only restaurant license for premises that do not meet the proximity requirements of
2714 Subsection [32B-1-202\(2\)](#).

2715 (5) To be licensed as a beer-only restaurant, a person shall maintain at least 70% of the
2716 restaurant's gross revenues from the sale of food, which does not include a service charge.

2717 Section 36. Section **32B-6-905** is amended to read:

2718 **32B-6-905. Specific operational requirements for a beer-only restaurant license --**
2719 **Before July 1, 2018, or July 1, 2022.**

2720 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2721 Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
2722 shall comply with this section.

2723 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2724 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

- 2725 (i) a beer-only restaurant licensee;
- 2726 (ii) individual staff of a beer-only restaurant licensee; or
- 2727 (iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.

2728 (2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
2729 sale, furnish, or allow consumption of liquor.

2730 (b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:

- 2731 (i) as a flavoring on a dessert; and
- 2732 (ii) in the preparation of a flaming food dish, drink, or dessert.

2733 (3) In addition to complying with Section [32B-5-303](#), a beer-only restaurant licensee
2734 shall store beer in a storage area described in Subsection ~~[(12)]~~ (11)(a).

2735 (4) (a) An individual who serves beer in a beer-only restaurant licensee's premises shall
2736 make a written beverage tab for each table or group that orders or consumes an alcoholic
2737 product on the premises.

2738 (b) A beverage tab required by this Subsection (4) shall list the type and amount of
2739 beer ordered or consumed.

2740 (5) A person's willingness to serve beer may not be made a condition of employment as
2741 a server with a beer-only restaurant licensee.

2742 (6) A beer-only restaurant licensee may sell, offer for sale, or furnish beer at the
2743 licensed premises during the following time periods only:

- 2744 (a) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or
- 2745 (b) on a weekend or a state or federal legal holiday or for a private event, during the
2746 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2747 ~~[(7) A beer-only restaurant licensee shall maintain at least 70% of its total restaurant
2748 business from the sale of food, which does not include a service charge.]~~

2749 ~~[(8)]~~ (7) (a) A beer-only restaurant may not sell, offer for sale, or furnish beer except
2750 after the beer-only restaurant licensee confirms that the patron has the intent to order food
2751 prepared, sold, and furnished at the licensed premises.

2752 (b) A beer-only restaurant shall maintain on the licensed premises adequate culinary
2753 facilities for food preparation and dining accommodations.

2754 ~~[(9)]~~ (8) A patron may not have more than two beers at a time before the patron.

2755 ~~[(10)]~~ (9) A patron may consume a beer only:

2756 (a) at:

2757 (i) the patron's table;

2758 (ii) a grandfathered bar structure; or

2759 (iii) a counter; and

2760 (b) where food is served.

2761 ~~[(11)]~~ (10) (a) A beer-only restaurant licensee may not sell, offer for sale, or furnish a

2762 beer to a patron, and a patron may not consume an alcoholic product at a bar structure.

2763 (b) Notwithstanding Subsection ~~[(11)]~~ (10)(a), at a grandfathered bar structure, a

2764 patron who is 21 years of age or older may:

2765 (i) sit;

2766 (ii) be furnished a beer; and

2767 (iii) consume a beer.

2768 (c) Except as provided in Subsection ~~[(11)]~~ (10)(d), at a grandfathered bar structure, a

2769 beer-only restaurant licensee may not permit a minor to, and a minor may not:

2770 (i) sit; or

2771 (ii) consume food or beverages.

2772 (d) (i) A minor may be at a grandfathered bar structure if the minor is employed by a

2773 beer-only restaurant licensee:

2774 (A) as provided in Subsection [32B-5-308](#)(2); or

2775 (B) to perform maintenance and cleaning services during an hour when the beer-only

2776 restaurant licensee is not open for business.

2777 (ii) A minor may momentarily pass by a grandfathered bar structure without

2778 remaining or sitting at the bar structure en route to an area of a beer-only restaurant licensee's

2779 premises in which the minor is permitted to be.

2780 ~~[(12)]~~ (11) A beer-only restaurant licensee may dispense a beer only if:

2781 (a) the beer is dispensed from an area that is:

2782 (i) a grandfathered bar structure; or

2783 (ii) separated from an area for the consumption of food by a patron by a solid,

2784 translucent, permanent structural barrier such that the facilities for the storage or dispensing of

2785 an alcoholic product are not readily visible to a patron, not accessible by a patron, and apart
2786 from an area used for dining, for staging, or as a lobby or waiting area;

2787 (b) the beer-only restaurant licensee uses a beer that is:

2788 (i) stored in an area described in Subsection ~~[(12)]~~ (11)(a); or

2789 (ii) in an area not described in Subsection ~~[(12)]~~ (11)(a) on the licensed premises and:

2790 (A) immediately before the beer is dispensed it is in an unopened container;

2791 (B) the unopened container is taken to an area described in Subsection ~~[(12)]~~ (11)(a)

2792 before it is opened; and

2793 (C) once opened, the container is stored in an area described in Subsection ~~[(12)]~~

2794 (11)(a); and

2795 (c) any instrument or equipment used to dispense the beer is located in an area

2796 described in Subsection ~~[(12)]~~ (11)(a).

2797 ~~[(13)]~~ (12) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
2798 beverages within 10 feet of a grandfathered bar structure, unless:

2799 (a) seating within 10 feet of the grandfathered bar structure is the only seating available
2800 in the licensed premises; and

2801 (b) the minor is accompanied by an individual who is 21 years of age or older.

2802 ~~[(14)]~~ (13) Except as provided in Subsection 32B-6-905.1~~[(16)]~~(15) and Section

2803 32B-6-905.2, the provisions of this section apply before July 1, 2018.

2804 Section 37. Section 32B-6-905.1 is amended to read:

2805 **32B-6-905.1. Specific operational requirements for a beer-only restaurant license**
2806 **-- On and after July 1, 2018, or July 1, 2022.**

2807 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2808 Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
2809 shall comply with this section.

2810 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
2811 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2812 (i) a beer-only restaurant licensee;

2813 (ii) individual staff of a beer-only restaurant licensee; or

2814 (iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.

2815 (2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for

2816 sale, furnish, or allow consumption of liquor.

2817 (b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:

2818 (i) as a flavoring on a dessert; or

2819 (ii) in the preparation of a flaming food dish, drink, or dessert.

2820 (3) (a) An individual who serves beer in a beer-only restaurant licensee's premises shall
2821 make a beverage tab for each table or group that orders or consumes beer on the premises.

2822 (b) A beverage tab described in this Subsection (3) shall state the type and amount of
2823 each beer ordered or consumed.

2824 (4) A beer-only restaurant licensee may not make an individual's willingness to serve
2825 beer a condition of employment as a server with a beer-only restaurant licensee.

2826 (5) A beer-only restaurant licensee may sell, offer for sale, or furnish beer at the
2827 licensed premises during the following time periods only:

2828 (a) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2829 (b) on a weekend or a state or federal legal holiday or for a private event, during the
2830 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2831 [~~(6) A beer-only restaurant licensee shall maintain at least 70% of the beer-only
2832 restaurant licensee's total restaurant business from the sale of food, which does not include a
2833 service charge.~~]

2834 [(7)] (6) (a) A beer-only restaurant licensee may not furnish beer except after:

2835 (i) the patron to whom the beer-only restaurant licensee furnishes the beer is seated at:

2836 (A) a table that is located in a dining area or a dispensing area;

2837 (B) a counter that is located in a dining area or a dispensing area; or

2838 (C) a dispensing structure that is located in a dispensing area; and

2839 (ii) the beer-only restaurant licensee confirms that the patron intends to:

2840 (A) order food prepared, sold, and furnished at the licensed premises; and

2841 (B) except as provided in Subsection [(7)] (6)(b), consume the food at the same
2842 location where the patron is seated and furnished the beer.

2843 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a
2844 beer-only restaurant licensee, the beer-only restaurant licensee may sell, offer for sale, or
2845 furnish to the patron one portion of beer as described in Section 32B-5-304 if:

2846 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing

2847 structure; and

2848 (B) the beer-only restaurant licensee first confirms that after the patron is seated in the
2849 dining area, the patron intends to order food prepared, sold, and furnished at the licensed
2850 premises.

2851 (ii) If the patron does not finish the patron's beer before moving to a seat in the dining
2852 area, an employee of the beer-only restaurant licensee who is qualified to sell and serve an
2853 alcoholic product under Section 32B-5-306 shall transport any unfinished portion of the
2854 patron's beer to the patron's seat in the dining area.

2855 (c) A beer-only restaurant licensee shall maintain on the licensed premises adequate
2856 culinary facilities for food preparation and dining accommodations.

2857 ~~[(8)]~~ (7) A patron may consume a beer only at:

2858 (a) a table that is located in a dining area or a dispensing area;

2859 (b) a counter that is located in a dining area or a dispensing area; or

2860 (c) a dispensing structure located in a dispensing area.

2861 ~~[(9)]~~ (8) A patron may not have more than two beers at a time before the patron.

2862 ~~[(10)]~~ (9) In accordance with the provisions of this section, an individual who is at
2863 least 21 years of age may consume food and beverages in a dispensing area.

2864 ~~[(11)]~~ (10) (a) Except as provided in Subsection ~~[(11)]~~ (10)(b), a minor may not sit,
2865 remain, or consume food or beverages in a dispensing area.

2866 (b) (i) A minor may be in a dispensing area if the minor is ~~[employed by the beer-only~~
2867 ~~restaurant licensee]:~~

2868 ~~[(A) in accordance with Subsection 32B-5-308(2); or]~~

2869 (A) at least 16 years of age and working as an employee of the beer-only restaurant
2870 licensee; or

2871 (B) ~~[to perform]~~ performing maintenance and cleaning services as an employee of the
2872 beer-only restaurant licensee when the beer-only restaurant licensee is not open for business.

2873 (ii) If there is no alternative route available, a minor may momentarily pass through a
2874 dispensing area without remaining or sitting in the dispensing area en route to an area of the
2875 beer-only restaurant licensee's premises in which the minor is permitted to be.

2876 ~~[(12)]~~ (11) A beer-only restaurant licensee may dispense a beer only if:

2877 (a) the beer is dispensed from:

- 2878 (i) a dispensing structure that is located in a dispensing area;
- 2879 (ii) an area that is:
- 2880 (A) separated from an area for the consumption of food by a patron by a solid,
- 2881 translucent, permanent structural barrier such that the facilities for the dispensing of an
- 2882 alcoholic product are not readily visible to a patron and not accessible by a patron; and
- 2883 (B) apart from an area used for dining, for staging, or as a waiting area; or
- 2884 (iii) the premises of a bar licensee that is:
- 2885 (A) owned by the same person or persons as the beer-only restaurant licensee; and
- 2886 (B) located immediately adjacent to the premises of the beer-only restaurant licensee;
- 2887 and

2888 (b) any instrument or equipment used to dispense the beer is located in an area
2889 described in Subsection ~~[(12)]~~ (11)(a).

2890 ~~[(13)]~~ (12) (a) A beer-only restaurant licensee may have more than one dispensing area
2891 in the licensed premises.

2892 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
2893 dispensing area under Subsection 32B-6-902(1)(b)(i)(A), (B), or (C), regardless of how any
2894 other dispensing area in the licensed premises satisfies the requirements for a dispensing area.

2895 ~~[(14)]~~ (13) A beer-only restaurant licensee may not transfer, dispense, or serve beer on
2896 or from a movable cart.

2897 ~~[(15)]~~ (14) (a) In addition to the requirements described in Section 32B-5-302, a
2898 beer-only restaurant licensee shall maintain each of the following records for at least three
2899 years:

- 2900 (i) a record required by Section 32B-5-302; and
- 2901 (ii) a record that the commission requires a beer-only restaurant licensee to use or
- 2902 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 2903 Rulemaking Act.

2904 (b) The department shall audit the records of a beer-only restaurant licensee at least
2905 once each calendar year.

2906 ~~[(16)]~~ (15) (a) In accordance with Section 32B-6-905.2, a beer-only restaurant licensee:

- 2907 (i) may comply with the provisions of this section beginning on or after July 1, 2017;

2908 and

2909 (ii) shall comply with the provisions of this section:

2910 (A) for a beer-only restaurant licensee that does not have a grandfathered bar structure,
2911 on and after July 1, 2018; or

2912 (B) for a beer-only restaurant licensee that has a grandfathered bar structure, on and
2913 after July 1, 2022.

2914 (b) A beer-only restaurant licensee that elects to comply with the provisions of this
2915 section before the latest applicable date described in Subsection ~~[(+6)]~~ (15)(a)(ii):

2916 (i) shall comply with each provision of this section; and

2917 (ii) is not required to comply with the provisions of Section 32B-6-905.

2918 Section 38. Section 32B-7-202 is amended to read:

2919 **32B-7-202. General operational requirements for off-premise beer retailer.**

2920 (1) (a) An off-premise beer retailer or staff of the off-premise beer retailer shall comply
2921 with the provisions of this title and any applicable rules made by the commission.

2922 (b) Failure to comply with this section may result in a suspension or revocation of a
2923 local license and, on or after July 1, 2018, disciplinary action in accordance with Chapter 3,
2924 Disciplinary Actions and Enforcement Act.

2925 (2) (a) (i) An off-premise beer retailer may not purchase, acquire, possess for the
2926 purpose of resale, or sell beer, except beer that the off-premise beer retailer lawfully purchases
2927 from:

2928 (A) a beer wholesaler licensee; or

2929 (B) a small brewer that manufactures the beer.

2930 (ii) A violation of Subsection (2)(a) is a class A misdemeanor.

2931 (b) (i) If an off-premise beer retailer purchases beer under this Subsection (2) from a
2932 beer wholesaler licensee, the off-premise beer retailer shall purchase beer only from a beer
2933 wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area
2934 in which the off-premise beer retailer is located, unless an alternate wholesaler is authorized by
2935 the department to sell to the off-premise beer retailer as provided in Section 32B-13-301.

2936 (ii) A violation of Subsection (2)(b) is a class B misdemeanor.

2937 (3) An off-premise beer retailer may not possess, sell, offer for sale, or furnish beer in a
2938 container larger than two liters.

2939 (4) (a) Staff of an off-premise beer retailer, while on duty, may not:

2940 (i) consume an alcoholic product; or
2941 (ii) be intoxicated.
2942 (b) A minor may not sell beer on the licensed premises of an off-premise beer retailer
2943 unless:
2944 (i) the sale is done under the supervision of a person 21 years of age or older who is on
2945 the licensed premises; and
2946 (ii) the minor is at least 16 years of age.
2947 (5) An off-premise beer retailer may not sell, offer for sale, or furnish an alcoholic
2948 product to:
2949 (a) a minor;
2950 (b) a person actually, apparently, or obviously intoxicated;
2951 (c) a known interdicted person; or
2952 (d) a known habitual drunkard.
2953 (6) (a) Subject to the other provisions of this Subsection (6), an off-premise beer
2954 retailer shall:
2955 (i) display all beer accessible by and visible to a patron in no more than two locations
2956 on the retail sales floor, each of which is:
2957 (A) a display cabinet, cooler, aisle, floor display, or room where beer is the only
2958 beverage displayed; and
2959 (B) not adjacent to a display of nonalcoholic beverages, unless the location is a cooler
2960 with a door from which the nonalcoholic beverages are not accessible, or the beer is separated
2961 from the display of nonalcoholic beverages by a display of one or more nonbeverage products
2962 or another physical divider; and
2963 (ii) display a sign in the area described in Subsection (6)(a)(i) that:
2964 (A) is prominent;
2965 (B) is easily readable by a consumer;
2966 (C) meets the requirements for format established by the commission by rule; and
2967 (D) reads in print that is no smaller than .5 inches, bold type, "These beverages contain
2968 alcohol. Please read the label carefully."
2969 (b) Notwithstanding Subsection (6)(a), a nonalcoholic beer may be displayed with beer
2970 if the nonalcoholic beer is labeled, packaged, or advertised as a nonalcoholic beer.

- 2971 (c) The requirements of this Subsection (6) apply to beer notwithstanding that it is
2972 labeled, packaged, or advertised as:
- 2973 (i) a malt cooler; or
 - 2974 (ii) a beverage that may provide energy.
- 2975 (d) A violation of this Subsection (6) is an infraction.
- 2976 (e) (i) Except as provided in Subsection (6)(e)(ii), the provisions of Subsection (6)(a)(i)
2977 apply on and after May 9, 2017.
- 2978 (ii) For a beer retailer that operates two or more off-premise beer retailers, the
2979 provisions of Subsection (6)(a)(i) apply on and after August 1, 2017.
- 2980 (7) (a) Staff of an off-premise beer retailer who directly supervises the sale of beer or
2981 who sells beer to a patron for consumption off the premises of the off-premise beer retailer
2982 shall wear a unique identification badge:
- 2983 (i) on the front of the staff's clothing;
 - 2984 (ii) visible above the waist;
 - 2985 (iii) bearing the staff's:
 - 2986 (A) first or last name;
 - 2987 (B) initials; or
 - 2988 (C) unique identification in letters or numbers; and
 - 2989 (iv) with the number or letters on the unique identification badge being sufficiently
2990 large to be clearly visible and identifiable while engaging in or directly supervising the retail
2991 sale of beer.
- 2992 (b) An off-premise beer retailer shall make and maintain a record of each current staff's
2993 unique identification badge assigned by the off-premise beer retailer that includes the staff's:
- 2994 (i) full name;
 - 2995 (ii) address; and
 - 2996 (iii) (A) driver license number; or
 - 2997 (B) similar identification number.
- 2998 (c) An off-premise beer retailer shall make available a record required to be made or
2999 maintained under this Subsection (7) for immediate inspection by:
- 3000 (i) a peace officer;
 - 3001 (ii) a representative of the local authority that issues the off-premise beer retailer

3002 license; or
3003 (iii) for an off-premise beer retailer state license, a representative of the commission or
3004 department.

3005 (d) A local authority may impose a fine of up to \$250 against an off-premise beer
3006 retailer that does not comply or require its staff to comply with this Subsection (7).

3007 (8) (a) An off-premise beer retailer may sell, offer for sale, or furnish beer through a
3008 drive through window.

3009 (b) Subsection (8)(a) does not modify the display limitations and requirements
3010 described in Subsection (6).

3011 Section 39. Section **32B-7-407** is enacted to read:

3012 **32B-7-407. Licensing at certain package agencies.**

3013 (1) Subject to Subsection (2), the commission may issue an off-premise beer retailer
3014 state license for a premises that is a package agency located at a brewery manufacturing
3015 facility.

3016 (2) An off-premise beer retailer state licensee described in Subsection (1) may not sell
3017 beer:

3018 (a) other than beer that is the product of the brewery manufacturing licensee that holds
3019 the package agency located on the premises; or

3020 (b) at a time other than a time a package agency may sell liquor under Subsection
3021 [32B-2-605\(13\)](#).

3022 Section 40. Section **32B-7-408** is enacted to read:

3023 **32B-7-408. Master off-premise beer retailer state license.**

3024 (1) (a) The commission may issue a master off-premise beer retailer state license that
3025 authorizes a person to store, sell, or offer for sale beer for consumption off the person's
3026 premises at multiple locations as off-premise beer retailers if the person applying for the master
3027 off-premise beer retailer state license:

3028 (i) owns each of the off-premise beer retailers;

3029 (ii) except for the fee requirements, establishes to the satisfaction of the commission
3030 that each location of an off-premise beer retailer under the master off-premise beer retailer state
3031 license separately meets the requirements of this part; and

3032 (iii) the master off-premise beer retailer state license includes at least five off-premise

3033 beer retailer locations.

3034 (b) The person seeking a master off-premise beer retailer state license shall designate
3035 which off-premise beer retailer locations the person seeks to have under the master off-premise
3036 beer retailer state license.

3037 (c) An off-premise beer retailer location under a master off-premise beer retailer state
3038 license is considered separately licensed for purposes of this title.

3039 (2) (a) A master off-premise beer retailer state license expires on the last day of
3040 February each year.

3041 (b) To renew a person's master off-premise beer retailer state license, a person shall
3042 comply with the renewal requirements of Section [32B-7-403](#) by no later than January 31 of the
3043 year in which the off-premise beer retailer state license expires.

3044 (3) (a) The nonrefundable application fee for a master off-premise beer retailer state
3045 license is \$75.

3046 (b) The initial license fee for a master off-premise beer retailer state license is:

3047 (i) \$1,100 plus a separate initial license fee for each newly licensed off-premise beer
3048 retailer state license under the master off-premise beer retailer state license determined in
3049 accordance with Subsection [32B-7-402](#)(3); and

3050 (ii) refundable if the commission does not issue the master off-premise beer retailer
3051 state license.

3052 (c) The renewal fee for a master off-premise beer retailer state license is \$300 plus a
3053 separate renewal fee for each off-premise beer retailer state license under the master
3054 off-premise beer retailer state license determined in accordance with Subsection
3055 [32B-7-403](#)(2)(b).

3056 (4) A new location may be added to a master off-premise beer retailer state license
3057 after the master off-premise beer retailer state license is issued if, including payment of the
3058 initial license fee, the location separately meets the requirements of this part.

3059 (5) (a) A master off-premise beer retailer state licensee shall notify the department of a
3060 change in the persons managing a location covered by a master off-premise beer retailer state
3061 license:

3062 (i) immediately, if the management personnel is not management personnel at a
3063 location covered by the master off-premise beer retailer state licensee at the time of the change;

3064 or

3065 (ii) within 30 days of the change, if the off-premise beer retailer state licensee is
3066 transferring management personnel from one location to another location covered by the master
3067 off-premise beer retailer state license.

3068 (b) A location covered by a master off-premise beer retailer state license shall keep its
3069 own records on its premises so that the department may audit the records.

3070 (c) A master off-premise beer retailer state licensee may not transfer beer between
3071 different locations covered by the master off-premise beer retailer state license.

3072 (6) (a) If there is a violation of this title at a location covered by a master off-premise
3073 beer retailer state license, the violation may result in disciplinary action in accordance with
3074 Chapter 3, Disciplinary Actions and Enforcement Act, against:

3075 (i) the single location under a master off-premise beer retailer state license;

3076 (ii) individual staff of the location under the master off-premise beer retailer state
3077 license; or

3078 (iii) a combination of persons or locations described in Subsections (6)(a)(i) and (ii).

3079 (b) In addition to disciplinary action under Subsection (6)(a), disciplinary action in
3080 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, may be taken against a
3081 master off-premise beer retailer state licensee or individual staff of the master off-premise beer
3082 retailer state licensee if during a period beginning on March 1 and ending the last day of
3083 February:

3084 (i) at least 25% of the locations covered by the master off-premise beer retailer state
3085 license have been found by the commission to have committed a serious or grave violation of
3086 this title, as defined by rule made by the commission; or

3087 (ii) at least 50% of the locations covered by the master off-premise beer retailer state
3088 license have been found by the commission to have violated this title.

3089 (7) The commission may make rules, in accordance with Title 63G, Chapter 3, Utah
3090 Administrative Rulemaking Act, to establish how a person may apply for a master off-premise
3091 beer retailer state license under this section.

3092 Section 41. Section **32B-11-503** is amended to read:

3093 **32B-11-503. Specific authority and operational requirements for brewery**
3094 **manufacturing license.**

- 3095 (1) A brewery manufacturing license allows a brewery manufacturing licensee to:
- 3096 (a) store, manufacture, brew, transport, or export beer, heavy beer, and flavored malt
- 3097 beverages;
- 3098 (b) sell heavy beer and a flavored malt beverage to:
- 3099 (i) the department;
- 3100 (ii) a military installation; or
- 3101 (iii) an out-of-state customer;
- 3102 (c) sell beer to a beer wholesaler licensee;
- 3103 (d) in the case of a small brewer, in accordance with Subsection (5), sell beer
- 3104 manufactured by the small brewer to:
- 3105 (i) a retail licensee;
- 3106 (ii) an off-premise beer retailer; or
- 3107 (iii) an event permittee; ~~and~~
- 3108 (e) warehouse on its premises an alcoholic product that the brewery manufacturing
- 3109 licensee manufactures or purchases for manufacturing purposes[-]; and
- 3110 (f) if the brewery manufacturing licensee holds two or more brewery manufacturing
- 3111 licenses, transport beer, heavy beer, or flavored malt beverage from one of the brewery
- 3112 manufacturing licensee's licensed premises to another, if the transportation occurs for the
- 3113 purpose of:
- 3114 (i) continuing or completing the manufacturing process; or
- 3115 (ii) transferring the beer, heavy beer, or flavored malt beverage for storage at a licensed
- 3116 premises of the brewery manufacturing licensee that is at a package agency.
- 3117 (2) A brewery manufacturing licensee may not sell the following to a person within the
- 3118 state except the department or a military installation:
- 3119 (a) heavy beer; or
- 3120 (b) a flavored malt beverage.
- 3121 (3) If considered necessary, the commission or department may require:
- 3122 (a) the alteration of the plant, equipment, or licensed premises;
- 3123 (b) the alteration or removal of any unsuitable alcoholic product-making equipment or
- 3124 material;
- 3125 (c) a brewery manufacturing licensee to clean, disinfect, ventilate, or otherwise

3126 improve the sanitary and working conditions of the plant, licensed premises, and equipment; or

3127 (d) that a record pertaining to the materials and ingredients used in the manufacture of
3128 an alcoholic product be available to the commission or department upon request.

3129 (4) A brewery manufacturing licensee may not permit any beer, heavy beer, or flavored
3130 malt beverage to be consumed on the licensed premises, except under the circumstances
3131 described in this Subsection (4).

3132 (a) A brewery manufacturing licensee may allow its on-duty staff to taste the alcoholic
3133 product that the brewery manufacturing licensee manufactures on its premises without charge,
3134 but only in connection with the on-duty staff's duties of manufacturing the alcoholic product
3135 during the manufacturing process and not otherwise.

3136 (b) A brewery manufacturing licensee may allow a person who can lawfully purchase
3137 the following for wholesale or retail distribution to consume a bona fide sample of the brewery
3138 manufacturing licensee's product on the licensed premises:

3139 (i) beer;

3140 (ii) heavy beer; or

3141 (iii) a flavored malt beverage.

3142 (c) A brewery manufacturing licensee may operate a retail facility that complies with
3143 the requirements of Chapter 7, Part 2, Off-Premise Beer Retailer Local Authority.

3144 (d) A brewery manufacturing licensee may conduct tastings as provided in Section
3145 [32B-11-210](#).

3146 (5) (a) A small brewer shall own, lease, or maintain and control a warehouse facility
3147 located in this state for the storage of beer to be sold to a person described in Subsection (1)(d)
3148 if the small brewer:

3149 (i) (A) (I) is located in this state; and

3150 (II) holds a brewery manufacturing license; or

3151 (B) (I) is located outside this state; and

3152 (II) holds a certificate of approval to sell beer in this state; and

3153 (ii) sells beer manufactured by the small brewer directly to a person described in
3154 Subsection (1)(d).

3155 (b) A small brewer may not sell beer to a person described in Subsection (1)(d) unless
3156 the beer:

- 3157 (i) is manufactured by the small brewer; and
- 3158 (ii) is first placed in the small brewer's warehouse facility in this state.
- 3159 (c) (i) A small brewer warehouse shall make and maintain complete beer importation,
- 3160 inventory, tax, distribution, sales records, and other records as the department and State Tax
- 3161 Commission may require.
- 3162 (ii) The records described in Subsection (5)(c)(i) are subject to inspection by:
- 3163 (A) the department; and
- 3164 (B) the State Tax Commission.
- 3165 (iii) Section 32B-1-205 applies to a record required to be made or maintained in
- 3166 accordance with this Subsection (5), except that the provision is considered to include an action
- 3167 described in Section 32B-1-205 made for the purpose of deceiving the State Tax Commission,
- 3168 or an official or employee of the State Tax Commission.
- 3169 (6) Subject to Subsection (7):
- 3170 (a) A brewery manufacturing licensee may not sell beer in this state except under a
- 3171 written agreement with a beer wholesaler licensee in this state.
- 3172 (b) An agreement described in Subsection (6)(a) shall:
- 3173 (i) create a restricted exclusive sales territory that is mutually agreed upon by the
- 3174 persons entering into the agreement;
- 3175 (ii) designate the one or more brands that may be distributed in the sales territory; and
- 3176 (iii) set forth the exact geographical area of the sales territory.
- 3177 (c) A brewery manufacturing licensee may have more than one agreement described in
- 3178 this Subsection (6) if each brand of the brewery manufacturing licensee is covered by one
- 3179 exclusive sales territory.
- 3180 (d) A brewery manufacturing licensee may not enter into an agreement with more than
- 3181 one beer wholesaler licensee to distribute the same brand of beer in the same sales territory or
- 3182 any portion of the sales territory.

3183 (7) A small brewer is not subject to the requirements of Subsection (6).

3184 Section 42. Section 32B-17-101 is enacted to read:

CHAPTER 17. LIQUOR TRANSPORT LICENSE ACT

Part 1. General Provisions

3185 **32B-17-101. Title.**

3188 This chapter is known as the "Liquor Transport License Act."

3189 Section 43. Section **32B-17-201** is enacted to read:

3190 **Part 2. Liquor Transport License Process**

3191 **32B-17-201. Commission's power to issue liquor transport license.**

3192 (1) (a) Before a person other than the retail licensee may pickup and deliver liquor to a
3193 retail licensee, the person shall obtain a liquor transport license issued by the commission in
3194 accordance with this chapter.

3195 (b) A violation of Subsection (1)(a) is a class A misdemeanor.

3196 (2) The commission may issue a liquor transport license for the pickup and delivery of
3197 liquor to a retail licensee.

3198 (3) A liquor transport license entitles the holder to:

3199 (a) pickup liquor from a package agency or state store on behalf of a retail licensee
3200 using the licensee's funds; and

3201 (b) transport and deliver the liquor directly to a retail licensee.

3202 (4) Nothing in this chapter prohibits a retail licensee from picking up liquor purchased
3203 by the retail licensee and transporting the liquor to the retail licensee's licensed premises in
3204 accordance with the other provisions of this title.

3205 Section 44. Section **32B-17-202** is enacted to read:

3206 **32B-17-202. Application requirements for liquor transport license.**

3207 To obtain a liquor transport license, a person shall submit to the department:

3208 (1) a written application in a form prescribed by the department;

3209 (2) a nonrefundable \$300 application fee;

3210 (3) an initial license fee of \$2,300 that is refundable if the commission does not issue a
3211 liquor transport license;

3212 (4) a copy of the person's current business license;

3213 (5) a bond as specified in Section [32B-17-206](#);

3214 (6) evidence that the person carries liability insurance in an amount and form
3215 satisfactory to the department; and

3216 (7) any other information the commission or department may require.

3217 Section 45. Section **32B-17-203** is enacted to read:

3218 **32B-17-203. Renewal requirements for liquor transport license.**

- 3219 (1) A liquor transport license expires on May 31 of each year.
3220 (2) To renew a liquor transport license, a person shall submit to the department by no
3221 later then April 30 of the year in which the license expires:
3222 (a) a completed renewal application in a form prescribed by the department;
3223 (b) a copy of the person's current business license;
3224 (c) a bond as specified in Section [32B-17-206](#);
3225 (d) evidence that the person carries liability insurance in an amount and form
3226 satisfactory to the department;
3227 (e) a report that includes the following information for the period since the liquor
3228 transport licensee obtained or renewed a liquor transport license:
3229 (i) the number of deliveries the liquor transport licensee made to each type of retail
3230 licensee;
3231 (ii) each state store and each package agency from which the liquor transport licensee
3232 picked up liquor as a liquor transport licensee;
3233 (iii) any breakage or shrinkage; and
3234 (iv) any other information required by the department; and
3235 (f) a \$1,200 renewal fee.
3236 (3) Failure to meet the renewal requirements described in this section results in an
3237 automatic forfeiture of the liquor transport license effective on the date the existing liquor
3238 transport license expires.

3239 Section 46. Section **32B-17-204** is enacted to read:

3240 **32B-17-204. Qualifications for liquor transport license.**

3241 (1) The commission may not issue a liquor transport license to a person who is
3242 disqualified under Section [32B-1-304](#).

3243 (2) If a person to whom a liquor transport license is issued under this chapter no longer
3244 possesses the qualifications required by this title for obtaining the liquor transport license, the
3245 commission may suspend or revoke the person's liquor transport license.

3246 Section 47. Section **32B-17-205** is enacted to read:

3247 **32B-17-205. Commission and department duties before issuing liquor transport**
3248 **license.**

3249 (1) (a) Before the commission may issue a liquor transport license, the department shall

3250 conduct an investigation and may hold public hearings to gather information and make
3251 recommendations to the commission as to whether a liquor transport license should be issued.

3252 (b) The department shall forward the information and recommendations described in
3253 Subsection (1)(a) to the commission to aid in the commission's determination.

3254 (2) Before issuing a liquor transport license, the commission shall:

3255 (a) determine that the person filed a complete application that complies with Sections
3256 32B-17-202 and 32B-17-204;

3257 (b) determine that the person is not disqualified under Section 32B-1-304;

3258 (c) consider the person's ability to manage and operate a liquor transport operation,
3259 including:

3260 (i) management experience;

3261 (ii) past related experience; and

3262 (iii) the means the person intends to use to deliver liquor to retail licensees; and

3263 (d) consider any other factor that the commission considers necessary.

3264 Section 48. Section **32B-17-206** is enacted to read:

3265 **32B-17-206. Bond for liquor transport license.**

3266 (1) (a) A liquor transport licensee shall post a cash bond or surety bond in the penal
3267 sum of \$10,000 payable to the department.

3268 (b) A liquor transport licensee shall procure and maintain a bond in accordance with
3269 this section for as long as the liquor transport licensee operates as a liquor transport licensee.

3270 (2) A bond posted under this section shall be:

3271 (a) in a form approved by the attorney general; and

3272 (b) conditioned upon a liquor transport licensee's faithful compliance with this title and
3273 the rules of the commission.

3274 (3) If a surety bond posted by a liquor transport licensee under this section is canceled
3275 due to the liquor transport licensee's negligence, the department may assess a \$300
3276 reinstatement fee.

3277 (4) No part of a bond posted under this section may be withdrawn during the period the
3278 liquor transport license is in effect.

3279 (5) (a) A bond posted under this section may be forfeited if the liquor transport license
3280 is revoked.

3281 (b) Notwithstanding Subsection (5)(a), the department may make a claim against a
3282 bond posted by a liquor transport licensee for money owed the department under this title
3283 without the commission first revoking the liquor transport license.

3284 Section 49. Section **32B-17-301** is enacted to read:

3285 **Part 3. Operational Requirements for Liquor Transport License**

3286 **32B-17-301. General operational requirements for liquor transport license.**

3287 (1) (a) A liquor transport licensee and staff of the liquor transport licensee shall comply
3288 with this title and the rules of the commission.

3289 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3290 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3291 (i) a liquor transport licensee;

3292 (ii) individual staff of a liquor transport licensee; or

3293 (iii) both a liquor transport licensee and staff of the liquor transport licensee.

3294 (2) A liquor transport licensee may not employ a minor to handle an alcoholic product.

3295 (3) A liquor transport licensee may not sell, transfer, assign, exchange, barter, give, or
3296 attempt in any way to dispose of the liquor transport license to a person, regardless of whether
3297 done for monetary gain.

3298 (4) (a) A liquor transport licensee may not deliver liquor to a person within the state
3299 except to a retail licensee.

3300 (b) A violation of this Subsection (4) is a class A misdemeanor.

3301 (5) The commission may prescribe by rule, consistent with this title, the general
3302 operational requirements of a liquor transport licensee.

3303 Section 50. Section **32B-17-302** is enacted to read:

3304 **32B-17-302. Notifying the department of change of ownership.**

3305 The commission may suspend or revoke a liquor transport license if a liquor transport
3306 licensee does not immediately notify the department of a change in:

3307 (1) ownership of the liquor transport service;

3308 (2) for a corporate owner:

3309 (a) the corporate officers or directors; or

3310 (b) shareholders holding at least 20% of the total issued and outstanding stock of the
3311 corporation; or

3312 (3) for a limited liability company:

3313 (a) the managers; or

3314 (b) the members owing at least 20% of the limited liability company.

3315 Section 51. Section **62A-15-401** is amended to read:

3316 **62A-15-401. Alcohol training and education seminar.**

3317 (1) As used in this part:

3318 (a) "Instructor" means a person that directly provides the instruction during an alcohol
3319 training and education seminar for a seminar provider.

3320 (b) "Licensee" means a person who is:

3321 (i) (A) a new or renewing licensee under Title 32B, Alcoholic Beverage Control Act;

3322 and

3323 (B) engaged in the retail sale of an alcoholic product for consumption on the premises
3324 of the licensee; or

3325 (ii) a business that is:

3326 (A) a new or renewing licensee licensed by a city, town, or county; and

3327 (B) engaged in the retail sale of beer for consumption off the premises of the licensee.

3328 (c) "Off-premise beer retailer" is as defined in Section [32B-1-102](#).

3329 (d) "Seminar provider" means a person other than the division who provides an alcohol
3330 training and education seminar meeting the requirements of this section.

3331 (2) (a) This section applies to:

3332 (i) a retail manager as defined in Section [~~32B-5-402~~] [32B-1-701](#);

3333 (ii) retail staff as defined in Section [~~32B-5-402~~] [32B-1-701](#); and

3334 (iii) an individual who, as defined by division rule:

3335 (A) directly supervises the sale of beer to a customer for consumption off the premises
3336 of an off-premise beer retailer; or

3337 (B) sells beer to a customer for consumption off the premises of an off-premise beer
3338 retailer.

3339 (b) If the individual does not have a valid record that the individual has completed an
3340 alcohol training and education seminar, an individual described in Subsection (2)(a) shall:

3341 (i) (A) complete an alcohol training and education seminar within 30 days of the

3342 following if the individual is described in Subsection (2)(a)(i) or (ii):

- 3343 (I) if the individual is an employee, the day the individual begins employment;
- 3344 (II) if the individual is an independent contractor, the day the individual is first hired;
- 3345 or
- 3346 (III) if the individual holds an ownership interest in the licensee, the day that the
- 3347 individual first engages in an activity that would result in that individual being required to
- 3348 complete an alcohol training and education seminar; or
- 3349 (B) complete an alcohol training and education seminar within the time periods
- 3350 specified in Subsection [~~32B-5-404(1)~~] [32B-1-703\(1\)](#) if the individual is described in
- 3351 Subsection (2)(a)(iii)(A) or (B); and
- 3352 (ii) pay a fee:
- 3353 (A) to the seminar provider; and
- 3354 (B) that is equal to or greater than the amount established under Subsection (4)(h).
- 3355 (c) An individual shall have a valid record that the individual completed an alcohol
- 3356 training and education seminar within the time period provided in this Subsection (2) to engage
- 3357 in an activity described in Subsection (2)(a).
- 3358 (d) A record that an individual has completed an alcohol training and education
- 3359 seminar is valid for:
- 3360 (i) three years from the day on which the record is issued for an individual described in
- 3361 Subsection (2)(a)(i) or (ii); and
- 3362 (ii) five years from the day on which the record is issued for an individual described in
- 3363 Subsection (2)(a)(iii)(A) or (B).
- 3364 (e) On and after July 1, 2011, to be considered as having completed an alcohol training
- 3365 and education seminar, an individual shall:
- 3366 (i) attend the alcohol training and education seminar and take any test required to
- 3367 demonstrate completion of the alcohol training and education seminar in the physical presence
- 3368 of an instructor of the seminar provider; or
- 3369 (ii) complete the alcohol training and education seminar and take any test required to
- 3370 demonstrate completion of the alcohol training and education seminar through an online course
- 3371 or testing program that meets the requirements described in Subsection (2)(f).
- 3372 (f) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah
- 3373 Administrative Rulemaking Act, establish one or more requirements for an online course or

3374 testing program described in Subsection (2)(e) that are designed to inhibit fraud in the use of
3375 the online course or testing program. In developing the requirements by rule the division shall
3376 consider whether to require:

3377 (i) authentication that the an individual accurately identifies the individual as taking the
3378 online course or test;

3379 (ii) measures to ensure that an individual taking the online course or test is focused on
3380 training material throughout the entire training period;

3381 (iii) measures to track the actual time an individual taking the online course or test is
3382 actively engaged online;

3383 (iv) a seminar provider to provide technical support, such as requiring a telephone
3384 number, email, or other method of communication that allows an individual taking the online
3385 course or test to receive assistance if the individual is unable to participate online because of
3386 technical difficulties;

3387 (v) a test to meet quality standards, including randomization of test questions and
3388 maximum time limits to take a test;

3389 (vi) a seminar provider to have a system to reduce fraud as to who completes an online
3390 course or test, such as requiring a distinct online certificate with information printed on the
3391 certificate that identifies the person taking the online course or test, or requiring measures to
3392 inhibit duplication of a certificate;

3393 (vii) measures for the division to audit online courses or tests;

3394 (viii) measures to allow an individual taking an online course or test to provide an
3395 evaluation of the online course or test;

3396 (ix) a seminar provider to track the Internet protocol address or similar electronic
3397 location of an individual who takes an online course or test;

3398 (x) an individual who takes an online course or test to use an e-signature; or

3399 (xi) a seminar provider to invalidate a certificate if the seminar provider learns that the
3400 certificate does not accurately reflect the individual who took the online course or test.

3401 (3) (a) A licensee may not permit an individual who is not in compliance with
3402 Subsection (2) to:

3403 (i) serve or supervise the serving of an alcoholic product to a customer for
3404 consumption on the premises of the licensee;

3405 (ii) engage in any activity that would constitute managing operations at the premises of
3406 a licensee that engages in the retail sale of an alcoholic product for consumption on the
3407 premises of the licensee;

3408 (iii) directly supervise the sale of beer to a customer for consumption off the premises
3409 of an off-premise beer retailer; or

3410 (iv) sell beer to a customer for consumption off the premises of an off-premise beer
3411 retailer.

3412 (b) A licensee that violates Subsection (3)(a) is subject to Section [~~32B-5-403~~]

3413 [32B-1-702](#).

3414 (4) The division shall:

3415 (a) (i) provide alcohol training and education seminars; or

3416 (ii) certify one or more seminar providers;

3417 (b) establish the curriculum for an alcohol training and education seminar that includes
3418 the following subjects:

3419 (i) (A) alcohol as a drug; and

3420 (B) alcohol's effect on the body and behavior;

3421 (ii) recognizing the problem drinker or signs of intoxication;

3422 (iii) an overview of state alcohol laws related to responsible beverage sale or service,
3423 as determined in consultation with the Department of Alcoholic Beverage Control;

3424 (iv) dealing with the problem customer, including ways to terminate sale or service;

3425 and

3426 (v) for those supervising or engaging in the retail sale of an alcoholic product for
3427 consumption on the premises of a licensee, alternative means of transportation to get the
3428 customer safely home;

3429 (c) recertify each seminar provider every three years;

3430 (d) monitor compliance with the curriculum described in Subsection (4)(b);

3431 (e) maintain for at least five years a record of every person who has completed an
3432 alcohol training and education seminar;

3433 (f) provide the information described in Subsection (4)(e) on request to:

3434 (i) the Department of Alcoholic Beverage Control;

3435 (ii) law enforcement; or

3436 (iii) a person licensed by the state or a local government to sell an alcoholic product;

3437 (g) provide the Department of Alcoholic Beverage Control on request a list of any

3438 seminar provider certified by the division; and

3439 (h) establish a fee amount for each person attending an alcohol training and education

3440 seminar that is sufficient to offset the division's cost of administering this section.

3441 (5) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah

3442 Administrative Rulemaking Act:

3443 (a) define what constitutes under this section an individual who:

3444 (i) manages operations at the premises of a licensee engaged in the retail sale of an
3445 alcoholic product for consumption on the premises of the licensee;

3446 (ii) supervises the serving of an alcoholic product to a customer for consumption on the
3447 premises of a licensee;

3448 (iii) serves an alcoholic product to a customer for consumption on the premises of a
3449 licensee;

3450 (iv) directly supervises the sale of beer to a customer for consumption off the premises
3451 of an off-premise beer retailer; or

3452 (v) sells beer to a customer for consumption off the premises of an off-premise beer
3453 retailer;

3454 (b) establish criteria for certifying and recertifying a seminar provider; and

3455 (c) establish guidelines for the manner in which an instructor provides an alcohol
3456 education and training seminar.

3457 (6) A seminar provider shall:

3458 (a) obtain recertification by the division every three years;

3459 (b) ensure that an instructor used by the seminar provider:

3460 (i) follows the curriculum established under this section; and

3461 (ii) conducts an alcohol training and education seminar in accordance with the
3462 guidelines established by rule;

3463 (c) ensure that any information provided by the seminar provider or instructor of a
3464 seminar provider is consistent with:

3465 (i) the curriculum established under this section; and

3466 (ii) this section;

3467 (d) provide the division with the names of all persons who complete an alcohol training
3468 and education seminar provided by the seminar provider;

3469 (e) (i) collect a fee for each person attending an alcohol training and education seminar
3470 in accordance with Subsection (2); and

3471 (ii) forward to the division the portion of the fee that is equal to the amount described
3472 in Subsection (4)(h); and

3473 (f) issue a record to an individual that completes an alcohol training and education
3474 seminar provided by the seminar provider.

3475 (7) (a) If after a hearing conducted in accordance with Title 63G, Chapter 4,
3476 Administrative Procedures Act, the division finds that a seminar provider violates this section
3477 or that an instructor of the seminar provider violates this section, the division may:

3478 (i) suspend the certification of the seminar provider for a period not to exceed 90 days;

3479 (ii) revoke the certification of the seminar provider;

3480 (iii) require the seminar provider to take corrective action regarding an instructor; or

3481 (iv) prohibit the seminar provider from using an instructor until such time that the

3482 seminar provider establishes to the satisfaction of the division that the instructor is in

3483 compliance with Subsection (6)(b).

3484 (b) The division may certify a seminar provider whose certification is revoked:

3485 (i) no sooner than 90 days from the date the certification is revoked; and

3486 (ii) if the seminar provider establishes to the satisfaction of the division that the

3487 seminar provider will comply with this section.

3488 Section 52. Section **63I-2-232** is amended to read:

3489 **63I-2-232. Repeal dates -- Title 32B.**

3490 (1) Subsection **32B-1-102**(7) is repealed July 1, 2022.

3491 (2) Subsection **32B-1-407**(3)(d) is repealed July 1, 2022.

3492 (3) Subsection **32B-1-604**(4) is repealed June 1, 2018.

3493 (4) Subsections **32B-6-202**(3) and (4) are repealed July 1, 2022.

3494 (5) Section **32B-6-205** is repealed July 1, 2022.

3495 (6) Subsection **32B-6-205.2**~~[(15)]~~(14) is repealed July 1, 2022.

3496 (7) Section **32B-6-205.3** is repealed July 1, 2022.

3497 (8) Subsections **32B-6-302**(3) and (4) are repealed July 1, 2022.

- 3498 (9) Section [32B-6-305](#) is repealed July 1, 2022.
- 3499 (10) Subsection [32B-6-305.2](#)~~[(15)]~~(14) is repealed July 1, 2022.
- 3500 (11) Section [32B-6-305.3](#) is repealed July 1, 2022.
- 3501 (12) Section [32B-6-404.1](#) is repealed July 1, 2022.
- 3502 (13) Section [32B-6-409](#) is repealed July 1, 2022.
- 3503 (14) Section [32B-6-605.1](#) is repealed July 1, 2019.
- 3504 (15) Subsection [32B-6-703](#)(2)(e)(iv) is repealed July 1, 2022.
- 3505 (16) Subsections [32B-6-902](#)(1)(c), (1)(d), and (2) are repealed July 1, 2022.
- 3506 (17) Section [32B-6-905](#) is repealed July 1, 2022.
- 3507 (18) Subsection [32B-6-905.1](#)~~[(16)]~~(15) is repealed July 1, 2022.
- 3508 (19) Section [32B-6-905.2](#) is repealed July 1, 2022.
- 3509 (20) Section [32B-7-303](#) is repealed [~~March~~] June 1, 2019.
- 3510 (21) Section [32B-7-304](#) is repealed [~~March~~] June 1, 2019.
- 3511 (22) Subsection [32B-8-402](#)(1)(b) is repealed July 1, 2022.

3512 Section 53. **Repealer.**

3513 This bill repeals:

3514 Section [32B-5-401](#), **Title.**

3515 Section 54. **Coordinating H.B. 453 with S.B. 132 -- Superseding technical and**
3516 **substantive amendments.**

3517 If this H.B. 453 and S.B. 132, Beer Amendments, both pass and become law, it is the
3518 intent of the Legislature that when the Office of Legislative Research and General Counsel
3519 prepares the Utah Code database for publication:

3520 (1) the amendments to Subsections [63I-2-232](#)(20) and (21) in this bill supersede the
3521 amendments to Subsections [63I-2-232](#)(20) and (21) in S.B. 132; and

3522 (2) the Office of Legislative Research and General Counsel not implement the
3523 coordination clause affecting Subsection [32B-1-102](#)(49) in S.B. 132.