

AIRPORT-RELATED ALCOHOL MODIFICATIONS

2020 FIFTH SPECIAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill modifies provisions of the Alcoholic Beverage Control Act related to airports.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides that provisions related to percentage lease agreements do not apply to a lease agreement in which the lessee is an airport lounge licensee;
- ▶ modifies the number of airport lounge licenses that the Alcoholic Beverage Control Commission may issue;
- ▶ allows a central receiving and distribution center that operates at an international airport to obtain a liquor transport license allowing the license holder to:
 - pickup liquor from a state store or package agency on behalf of an airport licensee and transport the liquor to the central receiving and distribution center's premises for screening and delivery;
 - receive, screen, and store alcoholic product purchased by airport licensees; and
 - deliver alcoholic product to airport licensees;
- ▶ addresses the operational requirements for a liquor transport licensee that is a central receiving and distribution center; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

32B-1-102, as last amended by Laws of Utah 2020, Chapter 219

32B-1-208, as enacted by Laws of Utah 2020, Chapter 219

- 33 **32B-6-503**, as last amended by Laws of Utah 2018, Chapter 249
 34 **32B-17-201**, as enacted by Laws of Utah 2019, Chapter 403
 35 **32B-17-202**, as enacted by Laws of Utah 2019, Chapter 403
 36 **32B-17-203**, as enacted by Laws of Utah 2019, Chapter 403
 37 **32B-17-301**, as enacted by Laws of Utah 2019, Chapter 403

38 ENACTS:

- 39 **32B-17-102**, Utah Code Annotated 1953
 40 **32B-17-301.5**, Utah Code Annotated 1953

41

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

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

44 **32B-1-102. Definitions.**

45 As used in this title:

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

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

48 (b) that is located at an international airport [~~with a United States Customs office on~~
 49 ~~the premises of the international airport~~].

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

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

53 (a) beer; or

54 (b) liquor.

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

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

57 (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other
 58 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol
 59 in an amount equal to or greater than .5% of alcohol by volume.

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

61 (c) "Alcoholic product" does not include any of the following common items that
 62 otherwise come within the definition of an alcoholic product:

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

- 64 (ii) vinegar;
- 65 (iii) preserved nonintoxicating cider;
- 66 (iv) essence;
- 67 (v) tincture;
- 68 (vi) food preparation; or
- 69 (vii) an over-the-counter medicine.
- 70 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation
- 71 when it is used as a flavoring in the manufacturing of an alcoholic product.
- 72 (5) "Alcohol training and education seminar" means a seminar that is:
- 73 (a) required by Chapter 1, Part 7, Alcohol Training and Education Act; and
- 74 (b) described in Section 62A-15-401.
- 75 (6) "Arena" means an enclosed building:
- 76 (a) that is managed by:
- 77 (i) the same person who owns the enclosed building;
- 78 (ii) a person who has a majority interest in each person who owns or manages a space
- 79 in the enclosed building; or
- 80 (iii) a person who has authority to direct or exercise control over the management or
- 81 policy of each person who owns or manages a space in the enclosed building;
- 82 (b) that operates as a venue; and
- 83 (c) that has an occupancy capacity of at least 12,500.
- 84 (7) "Arena license" means a license issued in accordance with Chapter 5, Retail
- 85 License Act, and Chapter 8c, Arena License Act.
- 86 (8) "Banquet" means an event:
- 87 (a) that is a private event or a privately sponsored event;
- 88 (b) that is held at one or more designated locations approved by the commission in or
- 89 on the premises of:
- 90 (i) a hotel;
- 91 (ii) a resort facility;
- 92 (iii) a sports center;
- 93 (iv) a convention center;
- 94 (v) a performing arts facility; or

- 95 (vi) an arena;
- 96 (c) for which there is a contract:
- 97 (i) between a person operating a facility listed in Subsection (8)(b) and another person
- 98 that has common ownership of less than 20% with the person operating the facility; and
- 99 (ii) under which the person operating a facility listed in Subsection (8)(b) is required to
- 100 provide an alcoholic product at the event; and
- 101 (d) at which food and alcoholic products may be sold, offered for sale, or furnished.
- 102 (9) "Bar structure" means a surface or structure on a licensed premises if on or at any
- 103 place of the surface or structure an alcoholic product is:
- 104 (a) stored; or
- 105 (b) dispensed.
- 106 (10) (a) "Bar establishment license" means a license issued in accordance with Chapter
- 107 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.
- 108 (b) "Bar establishment license" includes:
- 109 (i) a dining club license;
- 110 (ii) an equity license;
- 111 (iii) a fraternal license; or
- 112 (iv) a bar license.
- 113 (11) "Bar license" means a license issued in accordance with Chapter 5, Retail License
- 114 Act, and Chapter 6, Part 4, Bar Establishment License.
- 115 (12) (a) Subject to Subsection [~~(10)~~] (12)(d), "beer" means a product that:
- 116 (i) contains at least .5% of alcohol by volume, but not more than 5% of alcohol by
- 117 volume or 4% by weight; and
- 118 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- 119 (b) "Beer" may or may not contain hops or other vegetable products.
- 120 (c) "Beer" includes a product that:
- 121 (i) contains alcohol in the percentages described in Subsection (12)(a); and
- 122 (ii) is referred to as:
- 123 (A) beer;
- 124 (B) ale;
- 125 (C) porter;

- 126 (D) stout;
- 127 (E) lager; or
- 128 (F) a malt or malted beverage.
- 129 (d) "Beer" does not include a flavored malt beverage.
- 130 (13) "Beer-only restaurant license" means a license issued in accordance with Chapter
- 131 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.
- 132 (14) "Beer retailer" means a business that:
- 133 (a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
- 134 for consumption on or off the business premises; and
- 135 (b) is licensed as:
- 136 (i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
- 137 Retailer Local Authority; or
- 138 (ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
- 139 Chapter 6, Part 7, On-Premise Beer Retailer License.
- 140 (15) "Beer wholesaling license" means a license:
- 141 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
- 142 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
- 143 retail licensees or off-premise beer retailers.
- 144 (16) "Billboard" means a public display used to advertise, including:
- 145 (a) a light device;
- 146 (b) a painting;
- 147 (c) a drawing;
- 148 (d) a poster;
- 149 (e) a sign;
- 150 (f) a signboard; or
- 151 (g) a scoreboard.
- 152 (17) "Brewer" means a person engaged in manufacturing:
- 153 (a) beer;
- 154 (b) heavy beer; or
- 155 (c) a flavored malt beverage.
- 156 (18) "Brewery manufacturing license" means a license issued in accordance with

157 Chapter 11, Part 5, Brewery Manufacturing License.

158 (19) "Certificate of approval" means a certificate of approval obtained from the
159 department under Section 32B-11-201.

160 (20) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
161 a bus company to a group of persons pursuant to a common purpose:

162 (a) under a single contract;

163 (b) at a fixed charge in accordance with the bus company's tariff; and

164 (c) to give the group of persons the exclusive use of the passenger bus, coach, or other
165 motor vehicle, and a driver to travel together to one or more specified destinations.

166 (21) "Church" means a building:

167 (a) set apart for worship;

168 (b) in which religious services are held;

169 (c) with which clergy is associated; and

170 (d) that is tax exempt under the laws of this state.

171 (22) "Commission" means the Alcoholic Beverage Control Commission created in
172 Section 32B-2-201.

173 (23) "Commissioner" means a member of the commission.

174 (24) "Community location" means:

175 (a) a public or private school;

176 (b) a church;

177 (c) a public library;

178 (d) a public playground; or

179 (e) a public park.

180 (25) "Community location governing authority" means:

181 (a) the governing body of the community location; or

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

185 (26) "Container" means a receptacle that contains an alcoholic product, including:

186 (a) a bottle;

187 (b) a vessel; or

- 188 (c) a similar item.
- 189 (27) "Convention center" means a facility that is:
- 190 (a) in total at least 30,000 square feet; and
- 191 (b) otherwise defined as a "convention center" by the commission by rule.
- 192 (28) (a) "Counter" means a surface or structure in a dining area of a licensed premises
- 193 where seating is provided to a patron for service of food.
- 194 (b) "Counter" does not include a dispensing structure.
- 195 (29) "Crime involving moral turpitude" is as defined by the commission by rule.
- 196 (30) "Department" means the Department of Alcoholic Beverage Control created in
- 197 Section 32B-2-203.
- 198 (31) "Department compliance officer" means an individual who is:
- 199 (a) an auditor or inspector; and
- 200 (b) employed by the department.
- 201 (32) "Department sample" means liquor that is placed in the possession of the
- 202 department for testing, analysis, and sampling.
- 203 (33) "Dining club license" means a license issued in accordance with Chapter 5, Retail
- 204 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
- 205 commission as a dining club license.
- 206 (34) "Director," unless the context requires otherwise, means the director of the
- 207 department.
- 208 (35) "Disciplinary proceeding" means an adjudicative proceeding permitted under this
- 209 title:
- 210 (a) against a person subject to administrative action; and
- 211 (b) that is brought on the basis of a violation of this title.
- 212 (36) (a) Subject to Subsection (36)(b), "dispense" means:
- 213 (i) drawing an alcoholic product; and
- 214 (ii) using the alcoholic product at the location from which it was drawn to mix or
- 215 prepare an alcoholic product to be furnished to a patron of the retail licensee.
- 216 (b) The definition of "dispense" in this Subsection (36) applies only to:
- 217 (i) a full-service restaurant license;
- 218 (ii) a limited-service restaurant license;

- 219 (iii) a reception center license; [~~and~~]
220 (iv) a beer-only restaurant license[-];
221 (v) a bar license;
222 (vi) an on-premise beer retailer;
223 (vii) an airport lounge license;
224 (viii) an on-premise banquet license; and
225 (ix) a hospitality amenity license.
- 226 (37) "Dispensing structure" means a surface or structure on a licensed premises:
227 (a) where an alcoholic product is dispensed; or
228 (b) from which an alcoholic product is served.
- 229 (38) "Distillery manufacturing license" means a license issued in accordance with
230 Chapter 11, Part 4, Distillery Manufacturing License.
- 231 (39) "Distressed merchandise" means an alcoholic product in the possession of the
232 department that is saleable, but for some reason is unappealing to the public.
- 233 (40) "Equity license" means a license issued in accordance with Chapter 5, Retail
234 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
235 commission as an equity license.
- 236 (41) "Event permit" means:
237 (a) a single event permit; or
238 (b) a temporary beer event permit.
- 239 (42) "Exempt license" means a license exempt under Section 32B-1-201 from being
240 considered in determining the total number of retail licenses that the commission may issue at
241 any time.
- 242 (43) (a) "Flavored malt beverage" means a beverage:
243 (i) that contains at least .5% alcohol by volume;
244 (ii) that is treated by processing, filtration, or another method of manufacture that is not
245 generally recognized as a traditional process in the production of a beer as described in 27
246 C.F.R. Sec. 25.55;
247 (iii) to which is added a flavor or other ingredient containing alcohol, except for a hop
248 extract; and
249 (iv) (A) for which the producer is required to file a formula for approval with the

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

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

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

253 (44) "Fraternal license" means a license issued in accordance with Chapter 5, Retail
254 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
255 commission as a fraternal license.

256 (45) "Full-service restaurant license" means a license issued in accordance with
257 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.

258 (46) (a) "Furnish" means by any means to provide with, supply, or give an individual
259 an alcoholic product, by sale or otherwise.

260 (b) "Furnish" includes to:

261 (i) serve;

262 (ii) deliver; or

263 (iii) otherwise make available.

264 (47) "Guest" means an individual who meets the requirements of Subsection
265 32B-6-407(9).

266 (48) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.

267 (49) "Health care practitioner" means:

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

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

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

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

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

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

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

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

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

- 281 Professional Practice Act;
- 282 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
- 283 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
- 284 Practice Act;
- 285 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
- 286 Hygienist Practice Act; and
- 287 (m) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician
- 288 Assistant Act.
- 289 (50) (a) "Heavy beer" means a product that:
- 290 (i) contains more than 5% alcohol by volume; and
- 291 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- 292 (b) "Heavy beer" is considered liquor for the purposes of this title.
- 293 (51) "Hospitality amenity license" means a license issued in accordance with Chapter
- 294 5, Retail License Act, and Chapter 6, Part 10, Hospitality Amenity License.
- 295 (52) "Hotel" means a commercial lodging establishment that:
- 296 (a) offers at least 40 rooms as temporary sleeping accommodations for compensation;
- 297 (b) is capable of hosting conventions, conferences, and food and beverage functions
- 298 under a banquet contract; and
- 299 (c) (i) has adequate kitchen or culinary facilities on the premises to provide complete
- 300 meals; or
- 301 (ii) (A) has at least 1,000 square feet of function space consisting of meeting or dining
- 302 rooms that can be reserved for private use under a banquet contract and can accommodate at
- 303 least 75 individuals; or
- 304 (B) if the establishment is located in a small or unincorporated locality, has an
- 305 appropriate amount of function space consisting of meeting or dining rooms that can be
- 306 reserved for private use under a banquet contract, as determined by the commission.
- 307 (53) "Hotel license" means a license issued in accordance with Chapter 5, Retail
- 308 License Act, and Chapter 8b, Hotel License Act.
- 309 (54) "Identification card" means an identification card issued under Title 53, Chapter 3,
- 310 Part 8, Identification Card Act.
- 311 (55) "Industry representative" means an individual who is compensated by salary,

312 commission, or other means for representing and selling an alcoholic product of a
313 manufacturer, supplier, or importer of liquor.

314 (56) "Industry representative sample" means liquor that is placed in the possession of
315 the department for testing, analysis, and sampling by a local industry representative on the
316 premises of the department to educate the local industry representative of the quality and
317 characteristics of the product.

318 (57) "Interdicted person" means a person to whom the sale, offer for sale, or furnishing
319 of an alcoholic product is prohibited by:

320 (a) law; or

321 (b) court order.

322 (58) "International airport" means an airport:

323 (a) with a United States Customs and Border Protection office on the premises of the
324 airport; and

325 (b) at which international flights may enter and depart.

326 [~~(58)~~] (59) "Intoxicated" means that a person:

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

329 (i) an alcoholic product;

330 (ii) a controlled substance;

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

332 (iv) a combination of Subsections [~~(58)~~] (59)(a)(i) through (iii); and

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

335 [~~(59)~~] (60) "Investigator" means an individual who is:

336 (a) a department compliance officer; or

337 (b) a nondepartment enforcement officer.

338 [~~(60)~~] (61) "License" means:

339 (a) a retail license;

340 (b) a sublicense;

341 (c) a license issued in accordance with Chapter 11, Manufacturing and Related
342 Licenses Act;

- 343 (d) a license issued in accordance with Chapter 12, Liquor Warehousing License Act;
344 (e) a license issued in accordance with Chapter 13, Beer Wholesaling License Act; or
345 (f) a license issued in accordance with Chapter 17, Liquor Transport License Act.

346 [~~(61)~~] (62) "Licensee" means a person who holds a license.

347 [~~(62)~~] (63) "Limited-service restaurant license" means a license issued in accordance
348 with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.

349 [~~(63)~~] (64) "Limousine" means a motor vehicle licensed by the state or a local
350 authority, other than a bus or taxicab:

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

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

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

357 [~~(64)~~] (65) (a) (i) "Liquor" means a liquid that:

358 (A) is:

359 (I) alcohol;

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

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

362 (IV) other drink or drinkable liquid; and

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

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

365 (ii) "Liquor" includes:

366 (A) heavy beer;

367 (B) wine; and

368 (C) a flavored malt beverage.

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

370 [~~(65)~~] (66) "Liquor Control Fund" means the enterprise fund created by Section
371 32B-2-301.

372 [~~(66)~~] (67) "Liquor transport license" means a license issued in accordance with
373 Chapter 17, Liquor Transport License Act.

374 ~~[(67)]~~ (68) "Liquor warehousing license" means a license that is issued:

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

376 (b) to a person, other than a licensed manufacturer, who engages in the importation for
377 storage, sale, or distribution of liquor regardless of amount.

378 ~~[(68)]~~ (69) "Local authority" means:

379 (a) for premises that are located in an unincorporated area of a county, the governing
380 body of a county;

381 (b) for premises that are located in an incorporated city, town, or metro township, the
382 governing body of the city, town, or metro township; or

383 (c) for premises that are located in a project area as defined in Section 63H-1-201 and
384 in a project area plan adopted by the Military Installation Development Authority under Title
385 63H, Chapter 1, Military Installation Development Authority Act, the Military Installation
386 Development Authority.

387 ~~[(69)]~~ (70) "Lounge or bar area" is as defined by rule made by the commission.

388 ~~[(70)]~~ (71) "Manufacture" means to distill, brew, rectify, mix, compound, process,
389 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to
390 others.

391 ~~[(71)]~~ (72) "Member" means an individual who, after paying regular dues, has full
392 privileges in an equity licensee or fraternal licensee.

393 ~~[(72)]~~ (73) (a) "Military installation" means a base, air field, camp, post, station, yard,
394 center, or homeport facility for a ship:

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

396 (B) of the National Guard;

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

398 (iii) including a leased facility.

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

400 (i) civil works;

401 (ii) a rivers and harbors project; or

402 (iii) a flood control project.

403 ~~[(73)]~~ (74) "Minibar" means an area of a hotel guest room where one or more alcoholic
404 products are kept and offered for self-service sale or consumption.

- 405 ~~[(74)]~~ (75) "Minor" means an individual under the age of 21 years.
- 406 ~~[(75)]~~ (76) "Nondepartment enforcement agency" means an agency that:
- 407 (a) (i) is a state agency other than the department; or
- 408 (ii) is an agency of a county, city, town, or metro township; and
- 409 (b) has a responsibility to enforce one or more provisions of this title.
- 410 ~~[(76)]~~ (77) "Nondepartment enforcement officer" means an individual who is:
- 411 (a) a peace officer, examiner, or investigator; and
- 412 (b) employed by a nondepartment enforcement agency.
- 413 ~~[(77)]~~ (78) (a) "Off-premise beer retailer" means a beer retailer who is:
- 414 (i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and
- 415 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
- 416 premises.
- 417 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.
- 418 ~~[(78)]~~ (79) "Off-premise beer retailer state license" means a state license issued in
- 419 accordance with Chapter 7, Part 4, Off-Premise Beer Retailer State License.
- 420 ~~[(79)]~~ (80) "On-premise banquet license" means a license issued in accordance with
- 421 Chapter 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.
- 422 ~~[(80)]~~ (81) "On-premise beer retailer" means a beer retailer who is:
- 423 (a) authorized to sell, offer for sale, or furnish beer under a license issued in
- 424 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer
- 425 Retailer License; and
- 426 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's
- 427 premises:
- 428 (i) regardless of whether the beer retailer sells beer for consumption off the licensed
- 429 premises; and
- 430 (ii) on and after March 1, 2012, operating:
- 431 (A) as a tavern; or
- 432 (B) in a manner that meets the requirements of Subsection 32B-6-703(2)(e)(i).
- 433 ~~[(81)]~~ (82) "Opaque" means impenetrable to sight.
- 434 ~~[(82)]~~ (83) "Package agency" means a retail liquor location operated:
- 435 (a) under an agreement with the department; and

- 436 (b) by a person:
- 437 (i) other than the state; and
- 438 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package
- 439 Agency, to sell packaged liquor for consumption off the premises of the package agency.
- 440 [~~(83)~~] (84) "Package agent" means a person who holds a package agency.
- 441 [~~(84)~~] (85) "Patron" means an individual to whom food, beverages, or services are sold,
- 442 offered for sale, or furnished, or who consumes an alcoholic product including:
- 443 (a) a customer;
- 444 (b) a member;
- 445 (c) a guest;
- 446 (d) an attendee of a banquet or event;
- 447 (e) an individual who receives room service;
- 448 (f) a resident of a resort; or
- 449 (g) a hospitality guest, as defined in Section 32B-6-1002, under a hospitality amenity
- 450 license.
- 451 [~~(85)~~] (86) (a) "Performing arts facility" means a multi-use performance space that:
- 452 (i) is primarily used to present various types of performing arts, including dance,
- 453 music, and theater;
- 454 (ii) contains over 2,500 seats;
- 455 (iii) is owned and operated by a governmental entity; and
- 456 (iv) is located in a city of the first class.
- 457 (b) "Performing arts facility" does not include a space that is used to present sporting
- 458 events or sporting competitions.
- 459 [~~(86)~~] (87) "Permittee" means a person issued a permit under:
- 460 (a) Chapter 9, Event Permit Act; or
- 461 (b) Chapter 10, Special Use Permit Act.
- 462 [~~(87)~~] (88) "Person subject to administrative action" means:
- 463 (a) a licensee;
- 464 (b) a permittee;
- 465 (c) a manufacturer;
- 466 (d) a supplier;

- 467 (e) an importer;
- 468 (f) one of the following holding a certificate of approval:
- 469 (i) an out-of-state brewer;
- 470 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
- 471 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or
- 472 (g) staff of:
- 473 (i) a person listed in Subsections [~~(87)~~] (88)(a) through (f); or
- 474 (ii) a package agent.
- 475 [~~(88)~~] (89) "Premises" means a building, enclosure, or room used in connection with
- 476 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic
- 477 product, unless otherwise defined in this title or rules made by the commission.
- 478 [~~(89)~~] (90) "Prescription" means an order issued by a health care practitioner when:
- 479 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,
- 480 to prescribe a controlled substance, other drug, or device for medicinal purposes;
- 481 (b) the order is made in the course of that health care practitioner's professional
- 482 practice; and
- 483 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.
- 484 [~~(90)~~] (91) (a) "Primary spirituous liquor" means the main distilled spirit in a beverage.
- 485 (b) "Primary spirituous liquor" does not include a secondary flavoring ingredient.
- 486 [~~(91)~~] (92) "Principal license" means:
- 487 (a) a resort license;
- 488 (b) a hotel license; or
- 489 (c) an arena license.
- 490 [~~(92)~~] (93) (a) "Private event" means a specific social, business, or recreational event:
- 491 (i) for which an entire room, area, or hall is leased or rented in advance by an identified
- 492 group; and
- 493 (ii) that is limited in attendance to people who are specifically designated and their
- 494 guests.
- 495 (b) "Private event" does not include an event to which the general public is invited,
- 496 whether for an admission fee or not.
- 497 [~~(93)~~] (94) "Privately sponsored event" means a specific social, business, or

498 recreational event:

499 (a) that is held in or on the premises of an on-premise banquet licensee; and

500 (b) to which entry is restricted by an admission fee.

501 [~~(94)~~] (95) (a) "Proof of age" means:

502 (i) an identification card;

503 (ii) an identification that:

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

505 (B) is issued in accordance with the laws of a state other than Utah in which the

506 identification is issued;

507 (C) includes date of birth; and

508 (D) has a picture affixed;

509 (iii) a valid driver license certificate that:

510 (A) includes date of birth;

511 (B) has a picture affixed; and

512 (C) is issued:

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

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

515 (iv) a military identification card that:

516 (A) includes date of birth; and

517 (B) has a picture affixed; or

518 (v) a valid passport.

519 (b) "Proof of age" does not include a driving privilege card issued in accordance with

520 Section 53-3-207.

521 [~~(95)~~] (96) "Provisions applicable to a sublicense" means:

522 (a) for a full-service restaurant sublicense, the provisions applicable to a full-service
523 restaurant license under Chapter 6, Part 2, Full-Service Restaurant License;

524 (b) for a limited-service restaurant sublicense, the provisions applicable to a
525 limited-service restaurant license under Chapter 6, Part 3, Limited-Service Restaurant License;

526 (c) for a bar establishment sublicense, the provisions applicable to a bar establishment
527 license under Chapter 6, Part 4, Bar Establishment License;

528 (d) for an on-premise banquet sublicense, the provisions applicable to an on-premise

529 banquet license under Chapter 6, Part 6, On-Premise Banquet License;

530 (e) for an on-premise beer retailer sublicense, the provisions applicable to an
531 on-premise beer retailer license under Chapter 6, Part 7, On-Premise Beer Retailer license;

532 (f) for a beer-only restaurant sublicense, the provisions applicable to a beer-only
533 restaurant license under Chapter 6, Part 9, Beer-Only Restaurant License;

534 (g) for a hospitality amenity license, the provisions applicable to a hospitality amenity
535 license under Chapter 6, Part 10, Hospitality Amenity License; and

536 (h) for a resort spa sublicense, the provisions applicable to the sublicense under
537 Chapter 8d, Part 2, Resort Spa Sublicense.

538 [~~(96)~~] (97) (a) "Public building" means a building or permanent structure that is:

539 (i) owned or leased by:

540 (A) the state; or

541 (B) a local government entity; and

542 (ii) used for:

543 (A) public education;

544 (B) transacting public business; or

545 (C) regularly conducting government activities.

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

549 [~~(97)~~] (98) "Public conveyance" means a conveyance that the public or a portion of the
550 public has access to and a right to use for transportation, including an airline, railroad, bus,
551 boat, or other public conveyance.

552 [~~(98)~~] (99) "Reception center" means a business that:

553 (a) operates facilities that are at least 5,000 square feet; and

554 (b) has as its primary purpose the leasing of the facilities described in Subsection [~~(98)~~]
555 (99)(a) to a third party for the third party's event.

556 [~~(99)~~] (100) "Reception center license" means a license issued in accordance with
557 Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.

558 [~~(100)~~] (101) (a) "Record" means information that is:

559 (i) inscribed on a tangible medium; or

560 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.

561 (b) "Record" includes:

562 (i) a book;

563 (ii) a book of account;

564 (iii) a paper;

565 (iv) a contract;

566 (v) an agreement;

567 (vi) a document; or

568 (vii) a recording in any medium.

569 [~~(101)~~] (102) "Residence" means a person's principal place of abode within Utah.

570 [~~(102)~~] (103) "Resident," in relation to a resort, means the same as that term is defined
571 in Section 32B-8-102.

572 [~~(103)~~] (104) "Resort" means the same as that term is defined in Section 32B-8-102.

573 [~~(104)~~] (105) "Resort facility" is as defined by the commission by rule.

574 [~~(105)~~] (106) "Resort spa sublicense" means a resort license sublicense issued in
575 accordance with Chapter 8d, Part 2, Resort Spa Sublicense.

576 [~~(106)~~] (107) "Resort license" means a license issued in accordance with Chapter 5,
577 Retail License Act, and Chapter 8, Resort License Act.

578 [~~(107)~~] (108) "Responsible alcohol service plan" means a written set of policies and
579 procedures that outlines measures to prevent employees from:

580 (a) over-serving alcoholic beverages to customers;

581 (b) serving alcoholic beverages to customers who are actually, apparently, or obviously
582 intoxicated; and

583 (c) serving alcoholic beverages to minors.

584 [~~(108)~~] (109) "Restaurant" means a business location:

585 (a) at which a variety of foods are prepared;

586 (b) at which complete meals are served; and

587 (c) that is engaged primarily in serving meals.

588 [~~(109)~~] (110) "Restaurant license" means one of the following licenses issued under
589 this title:

590 (a) a full-service restaurant license;

591 (b) a limited-service restaurant license; or

592 (c) a beer-only restaurant license.

593 [~~(110)~~] (111) "Retail license" means one of the following licenses issued under this

594 title:

595 (a) a full-service restaurant license;

596 (b) a master full-service restaurant license;

597 (c) a limited-service restaurant license;

598 (d) a master limited-service restaurant license;

599 (e) a bar establishment license;

600 (f) an airport lounge license;

601 (g) an on-premise banquet license;

602 (h) an on-premise beer license;

603 (i) a reception center license;

604 (j) a beer-only restaurant license;

605 (k) a hospitality amenity license;

606 (l) a resort license;

607 (m) a hotel license; or

608 (n) an arena license.

609 [~~(111)~~] (112) "Room service" means furnishing an alcoholic product to a person in a

610 guest room of a:

611 (a) hotel; or

612 (b) resort facility.

613 [~~(112)~~] (113) (a) "School" means a building in which any part is used for more than

614 three hours each weekday during a school year as a public or private:

615 (i) elementary school;

616 (ii) secondary school; or

617 (iii) kindergarten.

618 (b) "School" does not include:

619 (i) a nursery school;

620 (ii) a day care center;

621 (iii) a trade and technical school;

622 (iv) a preschool; or

623 (v) a home school.

624 ~~[(113)]~~ (114) "Secondary flavoring ingredient" means any spirituous liquor added to a
625 beverage for additional flavoring that is different in type, flavor, or brand from the primary
626 spirituous liquor in the beverage.

627 ~~[(114)]~~ (115) "Sell" or "offer for sale" means a transaction, exchange, or barter
628 whereby, for consideration, an alcoholic product is either directly or indirectly transferred,
629 solicited, ordered, delivered for value, or by a means or under a pretext is promised or
630 obtained, whether done by a person as a principal, proprietor, or as staff, unless otherwise
631 defined in this title or the rules made by the commission.

632 ~~[(115)]~~ (116) "Serve" means to place an alcoholic product before an individual.

633 ~~[(116)]~~ (117) "Sexually oriented entertainer" means a person who while in a state of
634 seminudity appears at or performs:

635 (a) for the entertainment of one or more patrons;

636 (b) on the premises of:

637 (i) a bar licensee; or

638 (ii) a tavern;

639 (c) on behalf of or at the request of the licensee described in Subsection ~~[(116)]~~

640 (117)(b);

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

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

643 (i) an employee;

644 (ii) an independent contractor;

645 (iii) an agent of the licensee; or

646 (iv) a different type of classification.

647 ~~[(117)]~~ (118) "Shared seating area" means the licensed premises of two or more
648 restaurant licensees that the restaurant licensees share as an area for alcoholic beverage
649 consumption in accordance with Subsection 32B-5-207(3).

650 ~~[(118)]~~ (119) "Single event permit" means a permit issued in accordance with Chapter
651 9, Part 3, Single Event Permit.

652 ~~[(119)]~~ (120) "Small brewer" means a brewer who manufactures less than 60,000

653 barrels of beer, heavy beer, and flavored malt beverages per year.

654 ~~[(120)]~~ (121) "Small or unincorporated locality" means:

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

656 (b) a town, as classified under Section 10-2-301; or

657 (c) an unincorporated area in a county of the third, fourth, or fifth class, as classified
658 under Section 17-50-501.

659 ~~[(121)]~~ (122) "Special use permit" means a permit issued in accordance with Chapter
660 10, Special Use Permit Act.

661 ~~[(122)]~~ (123) (a) "Spirituous liquor" means liquor that is distilled.

662 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
663 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

664 ~~[(123)]~~ (124) "Sports center" is as defined by the commission by rule.

665 ~~[(124)]~~ (125) (a) "Staff" means an individual who engages in activity governed by this
666 title:

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

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

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

673 (b) "Staff" includes:

674 (i) an officer;

675 (ii) a director;

676 (iii) an employee;

677 (iv) personnel management;

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

679 (vi) an operator; or

680 (vii) a representative.

681 ~~[(125)]~~ (126) "State of nudity" means:

682 (a) the appearance of:

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

- 684 (ii) a human genital;
- 685 (iii) a human pubic area; or
- 686 (iv) a human anus; or
- 687 (b) a state of dress that fails to opaquely cover:
- 688 (i) the nipple or areola of a female human breast;
- 689 (ii) a human genital;
- 690 (iii) a human pubic area; or
- 691 (iv) a human anus.
- 692 [~~(126)~~] (127) "State of seminudity" means a state of dress in which opaque clothing
- 693 covers no more than:
- 694 (a) the nipple and areola of the female human breast in a shape and color other than the
- 695 natural shape and color of the nipple and areola; and
- 696 (b) the human genitals, pubic area, and anus:
- 697 (i) with no less than the following at its widest point:
- 698 (A) four inches coverage width in the front of the human body; and
- 699 (B) five inches coverage width in the back of the human body; and
- 700 (ii) with coverage that does not taper to less than one inch wide at the narrowest point.
- 701 [~~(127)~~] (128) (a) "State store" means a facility for the sale of packaged liquor:
- 702 (i) located on premises owned or leased by the state; and
- 703 (ii) operated by a state employee.
- 704 (b) "State store" does not include:
- 705 (i) a package agency;
- 706 (ii) a licensee; or
- 707 (iii) a permittee.
- 708 [~~(128)~~] (129) (a) "Storage area" means an area on licensed premises where the licensee
- 709 stores an alcoholic product.
- 710 (b) "Store" means to place or maintain in a location an alcoholic product.
- 711 [~~(129)~~] (130) "Sublicense" means:
- 712 (a) any of the following licenses issued as a subordinate license to, and contingent on
- 713 the issuance of, a principal license:
- 714 (i) a full-service restaurant license;

715 (ii) a limited-service restaurant license;

716 (iii) a bar establishment license;

717 (iv) an on-premise banquet license;

718 (v) an on-premise beer retailer license;

719 (vi) a beer-only restaurant license; or

720 (vii) a hospitality amenity license; or

721 (b) a resort spa sublicense.

722 [~~(130)~~] (131) "Supplier" means a person who sells an alcoholic product to the
723 department.

724 [~~(131)~~] (132) "Tavern" means an on-premise beer retailer who is:

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

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

729 [~~(132)~~] (133) "Temporary beer event permit" means a permit issued in accordance with
730 Chapter 9, Part 4, Temporary Beer Event Permit.

731 [~~(133)~~] (134) "Temporary domicile" means the principal place of abode within Utah of
732 a person who does not have a present intention to continue residency within Utah permanently
733 or indefinitely.

734 [~~(134)~~] (135) "Translucent" means a substance that allows light to pass through, but
735 does not allow an object or person to be seen through the substance.

736 [~~(135)~~] (136) "Unsaleable liquor merchandise" means a container that:

737 (a) is unsaleable because the container is:

738 (i) unlabeled;

739 (ii) leaky;

740 (iii) damaged;

741 (iv) difficult to open; or

742 (v) partly filled;

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

744 (ii) has contents that are:

745 (A) cloudy;

- 746 (B) spoiled; or
- 747 (C) chemically determined to be impure; or
- 748 (iii) contains:
- 749 (A) sediment; or
- 750 (B) a foreign substance; or
- 751 (c) is otherwise considered by the department as unfit for sale.
- 752 [~~136~~] (137) (a) "Wine" means an alcoholic product obtained by the fermentation of
- 753 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or
- 754 not another ingredient is added.
- 755 (b) "Wine" includes:
- 756 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.
- 757 4.10; and
- 758 (ii) hard cider.
- 759 (c) "Wine" is considered liquor for purposes of this title, except as otherwise provided
- 760 in this title.
- 761 [~~137~~] (138) "Winery manufacturing license" means a license issued in accordance
- 762 with Chapter 11, Part 3, Winery Manufacturing License.
- 763 Section 2. Section **32B-1-208** is amended to read:
- 764 **32B-1-208. Percentage lease agreements.**
- 765 (1) As used in this section:
- 766 (a) "Percentage lease agreement" means a lease agreement in which the lessee:
- 767 (i) is a retail licensee; and
- 768 (ii) pays the lessor:
- 769 (A) a base rent; and
- 770 (B) percentage rent.
- 771 (b) "Percentage rent" means a percentage:
- 772 (i) agreed upon between a lessor and lessee; and
- 773 (ii) of the total sales revenue that:
- 774 (A) exceed a fixed dollar amount of sales revenue; and
- 775 (B) the lessee earns while doing business on the rental premises.
- 776 (2) (a) The parties to a percentage lease agreement shall submit a copy of the

777 percentage lease agreement to the department.

778 (b) If there is a material change to the percentage lease agreement submitted to the
779 department under Subsection (2)(a), the parties to the percentage lease agreement shall
780 promptly submit a copy of the changed percentage lease agreement to the department.

781 (3) If a percentage lease agreement requires a retail licensee to pay the lessor a
782 percentage rent of 6% or less, the department may not conduct any further investigation into
783 the percentage lease agreement.

784 (4) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah
785 Administrative Rulemaking Act, establishing:

786 (a) the maximum percentage of revenue from alcohol sales a percentage lease
787 agreement may require; and

788 (b) the procedure for submitting a percentage lease agreement under Subsection (2).

789 (5) (a) The provisions of this section do not apply to a percentage lease agreement in
790 which the lessee is an airport lounge licensee.

791 (b) Nothing in this title prohibits an airport lounge licensee from entering into a
792 percentage lease agreement, regardless of the percentage rent specified in the percentage lease
793 agreement.

794 Section 3. Section **32B-6-503** is amended to read:

795 **32B-6-503. Commission's power to issue airport lounge license.**

796 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
797 an alcoholic product on its premises as an airport lounge licensee, the person shall first obtain
798 an airport lounge license from the commission in accordance with this part.

799 (2) The commission may issue an airport lounge license to establish airport lounge
800 licensed premises beyond the security point at an international airport and in the numbers the
801 commission considers proper for the storage, sale, offer for sale, furnishing, and consumption
802 of an alcoholic product on licensed premises operated as an airport lounge.

803 (3) ~~[(a)]~~ The commission may not issue ~~[a total number of]~~ more than 13 airport lounge
804 licenses for an international airport ~~[that]~~ at any time ~~[exceed one airport lounge license for~~
805 ~~each 1,750,000 of total passengers at the international airport].~~

806 ~~[(b) Notwithstanding Subsection (3)(a), the commission may not reduce the total~~
807 ~~number of airport lounge licenses unless:]~~

808 ~~[(i) the commission determines that the number of total passengers is reduced by more~~
 809 ~~than 25% from the last day on which the commission determined the total number of airport~~
 810 ~~lounge licenses allowed for that international airport under this Subsection (3); and]~~

811 ~~[(ii) the reduction can be accomplished without the international airport terminating a~~
 812 ~~lease for an airport lounge before:]~~

813 ~~[(A) the expiration of the lease;]~~

814 ~~[(B) the airport lounge undergoes a change of ownership; or]~~

815 ~~[(C) the airport lounge ceases operations.]~~

816 Section 4. Section **32B-17-102** is enacted to read:

817 **32B-17-102. Definitions.**

818 As used in this chapter:

819 (1) "Airport licensee" means a person who holds a valid:

820 (a) retail license for premises located at an international airport; or

821 (b) special use permit for premises located at an international airport.

822 (2) "Beer distributor" means:

823 (a) a small brewer; or

824 (b) a person who holds a valid beer wholesaler license.

825 (3) "Central receiving and distribution center" means a facility that:

826 (a) operates at an international airport;

827 (b) receives goods and supplies delivered to the international airport for an airport

828 licensee;

829 (c) screens the goods and supplies described in Subsection (3)(b) for security purposes;

830 and

831 (d) distributes the goods and supplies described in Subsection (3)(b) to the airport

832 licensee for whom the goods and supplies were delivered.

833 Section 5. Section **32B-17-201** is amended to read:

834 **32B-17-201. Commission's power to issue liquor transport license.**

835 ~~(1) (a) [Before a person other than the retail licensee may pick up and deliver liquor to~~

836 ~~a retail licensee, the person] A person who is not a retail licensee shall obtain a liquor transport~~

837 ~~license issued by the commission in accordance with this chapter[-] before the person may:~~

838 ~~(i) pick up liquor on behalf of a retail licensee and deliver the liquor to a retail licensee~~

- 839 or a central receiving and distribution center; or
- 840 (ii) if the person is a central receiving and distribution center:
- 841 (A) pickup liquor on behalf of an airport licensee and deliver the liquor to the central
- 842 receiving and distribution center's premises; or
- 843 (B) receive, screen, store, or deliver alcoholic product as part of the central receiving
- 844 and distribution center's operations.
- 845 (b) A violation of Subsection (1)(a) is a class A misdemeanor.
- 846 (2) The commission may issue a liquor transport license for [~~the pickup and delivery of~~
- 847 ~~liquor to a retail licensee.]:~~
- 848 (a) the pickup of liquor on behalf of a retail licensee and the delivery of the liquor to
- 849 the retail licensee or a central receiving and distribution center; or
- 850 (b) the receipt, screening, storage, and distribution of alcoholic product by a central
- 851 receiving and distribution center.
- 852 (3) [~~A~~] In accordance with this chapter, a liquor transport license entitles the holder to:
- 853 (a) (i) pickup liquor from a package agency or state store on behalf of a retail licensee
- 854 using the retail licensee's funds; and
- 855 [~~(b)~~] (ii) transport and deliver the liquor directly to [a]:
- 856 (A) the retail licensee[-]; or
- 857 (B) if the retail licensee is an airport licensee, a central receiving and distribution
- 858 center; or
- 859 (b) if the holder is a central receiving and distribution center:
- 860 (i) (A) pickup liquor from a package agency or state store on behalf of an airport
- 861 licensee using the airport licensee's funds; and
- 862 (B) transport the liquor directly to the central receiving and distribution center's
- 863 premises for screening, storage, and delivery to the airport licensee;
- 864 (ii) receive at the central receiving and distribution center's premises:
- 865 (A) liquor purchased by or on behalf of an airport licensee and delivered to the central
- 866 receiving and distribution center by the airport licensee or a liquor transport licensee; or
- 867 (B) beer delivered to the central receiving and distribution center by a beer distributor
- 868 for an airport licensee;
- 869 (iii) screen and store alcoholic product picked up or received by the central receiving

870 and distribution center; and

871 (iv) transport and deliver the alcoholic product to the airport licensee.

872 (4) Nothing in this chapter prohibits a retail licensee from picking up liquor purchased
873 by the retail licensee and transporting the liquor to the retail licensee's licensed premises in
874 accordance with the other provisions of this title.

875 Section 6. Section **32B-17-202** is amended to read:

876 **32B-17-202. Application requirements for liquor transport license.**

877 To obtain a liquor transport license, a person shall submit to the department:

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

879 (2) a nonrefundable \$300 application fee;

880 (3) an initial license fee of \$2,300 that is refundable if the commission does not issue a
881 liquor transport license;

882 (4) a copy of the person's current business license;

883 (5) a bond as specified in Section 32B-17-206;

884 (6) evidence that the person carries liability insurance in an amount and form
885 satisfactory to the department; [~~and~~]

886 (7) if the person is a central receiving and distribution center:

887 (a) a floor plan of each premises where the central receiving and distribution center
888 proposes to receive, screen, store, or deliver alcoholic product;

889 (b) a statement of the number of airport licensees for which the central receiving and
890 distribution center proposes to provide services under the liquor transport license; and

891 (c) a signed consent form stating that the central receiving and distribution center will
892 permit any authorized representative of the commission or the department or a law enforcement
893 officer to have unrestricted right to enter the central receiving and distribution center's
894 premises, in compliance with applicable federal security procedures; and

895 [~~(7)~~] (8) any other information the commission or department[~~may require~~] requires.

896 Section 7. Section **32B-17-203** is amended to read:

897 **32B-17-203. Renewal requirements for liquor transport license.**

898 (1) A liquor transport license expires on May 31 of each year.

899 (2) To renew a liquor transport license, a person shall submit to the department by no
900 later than April 30 of the year in which the license expires:

- 901 (a) a completed renewal application in a form prescribed by the department;
- 902 (b) a copy of the person's current business license;
- 903 (c) a bond as specified in Section 32B-17-206;
- 904 (d) evidence that the person carries liability insurance in an amount and form
- 905 satisfactory to the department;
- 906 (e) if the person is not a central receiving and distribution center, a report that includes
- 907 the following information for the period since the liquor transport licensee obtained or renewed
- 908 a liquor transport license:
- 909 (i) the number of deliveries the liquor transport licensee made to each type of retail
- 910 licensee; and
- 911 (ii) each state store and each package agency from which the liquor transport licensee
- 912 picked up liquor as a liquor transport licensee;
- 913 [~~(iii) any breakage or shrinkage, and~~]
- 914 [~~(iv) any other information required by the department, and~~]
- 915 (f) if the person is a central receiving and distribution center, a report that includes the
- 916 following information for the period since the liquor transport licensee obtained or renewed a
- 917 liquor transport license:
- 918 (i) the number of times the liquor transport licensee picked up liquor on behalf of an
- 919 airport licensee; and
- 920 (ii) each state store and each package agency from which the liquor transport licensee
- 921 picked up liquor on behalf of an airport licensee;
- 922 (g) any other information the commission or department requires; and
- 923 [~~(f)~~] (h) a \$1,200 renewal fee.
- 924 (3) Failure to meet the renewal requirements described in this section results in an
- 925 automatic forfeiture of the liquor transport license effective on the date the existing liquor
- 926 transport license expires.
- 927 Section 8. Section **32B-17-301** is amended to read:
- 928 **32B-17-301. General operational requirements for liquor transport license.**
- 929 (1) (a) A liquor transport licensee and staff of the liquor transport licensee shall comply
- 930 with this title and the rules of the commission.
- 931 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action

932 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

933 (i) a liquor transport licensee;

934 (ii) individual staff of a liquor transport licensee; or

935 (iii) both a liquor transport licensee and staff of the liquor transport licensee.

936 (2) A liquor transport licensee may not employ a minor to handle an alcoholic product.

937 (3) A liquor transport licensee may not sell, transfer, assign, exchange, barter, give, or
 938 attempt in any way to dispose of the liquor transport license to a person, regardless of whether
 939 done for monetary gain.

940 (4) (a) A liquor transport licensee may not deliver [~~liquor~~] alcoholic product to a
 941 person within the state except to:

942 (i) a retail licensee[-];

943 (ii) a central receiving and distribution center; or

944 (iii) if the liquor transport licensee is a central receiving and distribution center, an
 945 airport licensee.

946 (b) A violation of this Subsection (4) is a class A misdemeanor.

947 (5) Alcoholic product in the possession or control of a liquor transport licensee is the
 948 property of the retail licensee or airport licensee whose funds were used to purchase the
 949 alcoholic product.

950 [~~(5)~~] (6) The commission may prescribe by rule, consistent with this title, the general
 951 operational requirements of a liquor transport licensee.

952 Section 9. Section **32B-17-301.5** is enacted to read:

953 **32B-17-301.5. Additional operational requirements for liquor transport license**
 954 **held by a central receiving and distribution center.**

955 (1) A liquor transport licensee that is a central receiving and distribution center shall
 956 establish a secure process for:

957 (a) receiving alcoholic product from airport licensees, liquor transport licensees, and
 958 beer distributors at the central receiving and distribution center's premises;

959 (b) screening and storing alcoholic product the central receiving and distribution center
 960 receives or brings to the premises; and

961 (c) delivering alcoholic product to the airport licensee that owns the alcoholic product.

962 (2) As part of the secure process described in Subsection (1), the central receiving and

963 distribution center shall:

964 (a) clearly identify and keep separate each airport licensee's alcoholic product;

965 (b) maintain alcoholic product in a locked storage area or container at all times except

966 during:

967 (i) a security screening of the alcoholic product; or

968 (ii) transportation of the alcoholic product;

969 (c) notify the receiving airport licensee when screening is complete and alcoholic

970 product is ready for delivery; and

971 (d) deliver the alcoholic product to the receiving airport licensee.

972 (3) The commission may prescribe by rule, consistent with this title, the operational

973 requirements of a liquor transport licensee that is a central receiving and distribution center.

974 **Section 10. Effective date.**

975 If approved by two-thirds of all the members elected to each house, this bill takes effect

976 upon approval by the governor, or the day following the constitutional time limit of Utah

977 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,

978 the date of veto override.