

Effective 6/1/2022

Chapter 2
Alcoholic Beverage Services Administration Act

Part 1
General Provisions

32B-2-101 Title.

This chapter is known as the "Alcoholic Beverage Services Administration Act."

Amended by Chapter 447, 2022 General Session

32B-2-102 Definitions.

Reserved

Enacted by Chapter 276, 2010 General Session

Part 2
Organization and Operations of Commission and Department

32B-2-201 Alcoholic Beverage Services Commission created.

- (1)
 - (a) There is created the "Alcoholic Beverage Services Commission."
 - (b) The commission is the governing board over the department.
- (2) The commission is composed of seven part-time commissioners appointed by the governor with the advice and consent of the Senate in accordance with Title 63G, Chapter 24, Part 2, Vacancies.
- (3)
 - (a) Except as required by Subsection (3)(b), as terms of commissioners expire, the governor shall appoint each new commissioner or reappointed commissioner to a four-year term.
 - (b) Notwithstanding the requirements of Subsection (3)(a), the governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of no more than three commissioners expire in a fiscal year.
- (4)
 - (a) When a vacancy occurs on the commission for any reason, the governor shall appoint a replacement for the unexpired term with the advice and consent of the Senate.
 - (b) Unless removed in accordance with Subsection (6), a commissioner shall remain on the commission after the expiration of a term until a successor is appointed by the governor, with the advice and consent of the Senate.
- (5) A commissioner shall take the oath of office.
- (6)
 - (a) The governor may remove a commissioner from the commission for cause, neglect of duty, inefficiency, or malfeasance after a public hearing conducted by:
 - (i) the governor; or
 - (ii) an impartial hearing examiner appointed by the governor to conduct the hearing.

- (b) At least 10 days before the hearing described in Subsection (6)(a), the governor shall provide the commissioner notice of:
 - (i) the date, time, and place of the hearing; and
 - (ii) the alleged grounds for the removal.
- (c) The commissioner shall have an opportunity to:
 - (i) attend the hearing;
 - (ii) present witnesses and other evidence; and
 - (iii) confront and cross examine witnesses.
- (d) After a hearing under this Subsection (6):
 - (i) the person conducting the hearing shall prepare written findings of fact and conclusions of law; and
 - (ii) the governor shall serve a copy of the prepared findings and conclusions upon the commissioner.
- (e) If a hearing under this Subsection (6) is held before a hearing examiner, the hearing examiner shall issue a written recommendation to the governor in addition to complying with Subsection (6)(d).
- (f) A commissioner has five days from the day on which the commissioner receives the findings and conclusions described in Subsection (6)(d) to file written objections to the recommendation before the governor issues a final order.
- (g) The governor shall:
 - (i) issue the final order under this Subsection (6) in writing; and
 - (ii) serve the final order upon the commissioner.
- (7) A commissioner may not receive compensation or benefits for the commissioner's service, but may receive per diem and travel expenses in accordance with:
 - (a) Section 63A-3-106;
 - (b) Section 63A-3-107; and
 - (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
- (8)
 - (a)
 - (i) The governor shall annually appoint the chair of the commission.
 - (ii) A commissioner serves as chair to the commission at the pleasure of the governor.
 - (iii) If removed as chair, the commissioner continues to serve as a commissioner unless removed as a commissioner under Subsection (6).
 - (b) The commission shall elect:
 - (i) another commissioner to serve as vice chair; and
 - (ii) other commission officers as the commission considers advisable.
 - (c) A commissioner elected under Subsection (8)(b) shall serve in the office to which the commissioner is elected at the pleasure of the commission.
- (9)
 - (a) Each commissioner has equal voting rights on a commission matter when in attendance at a commission meeting.
 - (b) Four commissioners is a quorum for conducting commission business.
 - (c) A majority vote of the quorum present at a meeting is required for the commission to act.
 - (d) A commissioner shall comply with the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.
- (10)
 - (a) The commission shall meet at least monthly, but may hold other meetings at times and places as scheduled by:

- (i) the commission;
 - (ii) the chair; or
 - (iii) three commissioners upon filing a written request for a meeting with the chair.
- (b)
- (i) Notice of the time and place of a commission meeting shall be given to each commissioner, and to the public in compliance with Title 52, Chapter 4, Open and Public Meetings Act.
 - (ii) A commission meeting is open to the public, except for a commission meeting or portion of a commission meeting that is closed by the commission as authorized by Sections 52-4-204 and 52-4-205.

Amended by Chapter 57, 2025 General Session

32B-2-201.5 Commission subcommittee -- Chair's oversight responsibilities.

- (1) There is created within the commission two subcommittees consisting of members of the commission and known as the:
 - (a) "Compliance, Licensing, and Enforcement Subcommittee"; and
 - (b) "Operations and Procurement Subcommittee."
- (2) A subcommittee shall have four members, including the chair of the commission. The chair of the commission shall appoint the members to a subcommittee.
- (3) The director shall consult with the chair of the commission over:
 - (a) the internal affairs of the department; and
 - (b) subject to Section 32B-2-207, hiring and firing of upper management of the department.
- (4) The commission by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, shall establish the duties of the subcommittees created under this section.

Enacted by Chapter 365, 2012 General Session

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

- (1) The commission shall:
 - (a) consistent with the policy established by the Legislature by statute, act as a general policymaking body on the subject of alcoholic product control;
 - (b) adopt and issue policies, rules, and procedures;
 - (c) set policy by written rules that establish criteria and procedures for:
 - (i) issuing, denying, not renewing, suspending, or revoking a package agency, license, permit, or certificate of approval; and
 - (ii) determining the location of a state store, package agency, or retail licensee;
 - (d) decide within the limits, and under the conditions imposed by this title, the number and location of state stores, package agencies, and retail licensees in the state;
 - (e) issue, deny, suspend, revoke, or not renew the following package agencies, licenses, sublicenses, permits, or certificates of approval for the purchase, storage, sale, offer for sale, furnishing, consumption, manufacture, and distribution of an alcoholic product:
 - (i) a package agency;
 - (ii) a full-service restaurant license;
 - (iii) a master full-service restaurant license;
 - (iv) a limited-service restaurant license;
 - (v) a master limited-service restaurant license;
 - (vi) a bar establishment license;
 - (vii) an airport lounge license;

- (viii) an on-premise banquet license;
- (ix) a resort license, which includes four or more sublicenses;
- (x) an on-premise beer retailer license;
- (xi) a reception center license;
- (xii) a beer-only restaurant license;
- (xiii) a hotel license, which includes three or more sublicenses;
- (xiv) an arena license, which includes three or more sublicenses;
- (xv) a hospitality amenity license;
- (xvi) subject to Subsection (5), a single event permit;
- (xvii) subject to Subsection (5), a temporary beer event permit;
- (xviii) a special use permit;
- (xix) a manufacturing license;
- (xx) a liquor warehousing license;
- (xxi) a beer wholesaling license;
- (xxii) a liquor transport license;
- (xxiii) an off-premise beer retailer state license;
- (xxiv) a master off-premise beer retailer state license;
- (xxv) one of the following that holds a certificate of approval:
 - (A) an out-of-state brewer;
 - (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and
 - (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; and
- (xxvi) a spa sublicense;
- (f) issue, deny, suspend, or revoke the following conditional licenses:
 - (i) a conditional retail license as defined in Section 32B-5-205; and
 - (ii) a conditional off-premise beer retailer state license as defined in Section 32B-7-406;
- (g) prescribe the duties of the department in assisting the commission in issuing a package agency, license, permit, or certificate of approval under this title;
- (h) to the extent a fee is not specified in this title, establish a fee allowed under this title in accordance with Section 63J-1-504;
- (i) fix prices at which liquor is sold that are the same at all state stores, package agencies, and retail licensees;
- (j) issue and distribute price lists showing the price to be paid by a purchaser for each class, variety, or brand of liquor kept for sale by the department;
- (k)
 - (i) require the director to follow sound management principles; and
 - (ii) require periodic reporting from the director to ensure that:
 - (A) sound management principles are being followed; and
 - (B) policies established by the commission are being observed;
- (l)
 - (i) receive, consider, and act in a timely manner upon the reports, recommendations, and matters submitted by the director to the commission; and
 - (ii) do the things necessary to support the department in properly performing the department's duties;
- (m) obtain temporarily and for special purposes the services of an expert or person engaged in the practice of a profession, or a person who possesses a needed skill if:
 - (i) considered expedient; and
 - (ii) approved by the governor;

- (n) prescribe by rule the conduct, management, and equipment of premises upon which an alcoholic product may be stored, sold, offered for sale, furnished, or consumed;
 - (o) make rules governing the credit terms of beer sales within the state to retail licensees; and
 - (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take disciplinary action against a person subject to administrative action.
- (2) Consistent with the policy established by the Legislature by statute, the power of the commission to do the following is plenary, except as otherwise provided by this title, and not subject to review:
- (a) establish a state store;
 - (b) issue authority to act as a package agent or operate a package agency; and
 - (c) issue, deny, or deem forfeit a license, permit, or certificate of approval.
- (3)
- (a) Subject to Subsections (3)(b) and (c), the commission may make rules permitting and establishing the parameters of a late license renewal.
 - (b) The commission may not allow for the late renewal of a license after the later of:
 - (i) the tenth day of the month after the month in which the license type is required to be renewed; or
 - (ii) if the tenth day of the month after the month in which the license type is required to be renewed falls on a Saturday, Sunday, or state or federal holiday, the first business day after the Saturday, Sunday, or holiday.
 - (c) The fee for a late license renewal is \$300.
- (4) If the commission is authorized or required to make a rule under this title, the commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (5) Notwithstanding Subsections (1)(e)(xvi) and (xvii), the director or deputy director may issue an event permit in accordance with Chapter 9, Event Permit Act.

Amended by Chapter 371, 2023 General Session

32B-2-203 Department of Alcoholic Beverage Services created.

- (1) There is created the Department of Alcoholic Beverage Services. The department is governed by the commission.
- (2) The director of alcoholic beverage services appointed under Section 32B-2-205 shall administer the department.
- (3) The director shall allocate the duties within the department into the divisions, bureaus, sections, offices, and committees as the director considers necessary for the administration of this title.
- (4) The department shall cooperate with any other recognized agency in the administration of this title and in the enforcement of a policy or rule of the commission or policy of the director.

Amended by Chapter 447, 2022 General Session

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

- (1) The department shall control liquor merchandise inventory including:
 - (a) listing and delisting a product;
 - (b) the procedures for testing a new product;
 - (c) purchasing policy;
 - (d) turnover requirements for a regularly coded product to be continued; and
 - (e) the disposition of discontinued, distressed, or unsaleable merchandise.
- (2)

- (a) The department shall report to the governor on the administration of this title:
 - (i) as the governor may require; and
 - (ii) annually by no later than November 30, for the fiscal year ending June 30 of the year in which the report is made.
- (b) A report under this Subsection (2) shall contain:
 - (i) a statement of the nature and amount of the business transacted by the department during the year;
 - (ii) a statement of the department's assets and liabilities including a profit and loss account, and other accounts and matters necessary to show the results of operations of the department for the year;
 - (iii) general information on the application of this title in the state; and
 - (iv) any other information requested by the governor.
- (c) The department shall submit a copy of a report described in this Subsection (2) to the Legislature.
- (3) The department shall maintain insurance against loss on each motor vehicle operated by it on any public highway. A motor vehicle shall be covered for:
 - (a) liability imposed by law upon the department for damages from bodily injuries suffered by one or more persons by reason of the ownership, maintenance, or use of the motor vehicle; and
 - (b) liability or loss from damage to or destruction of property of any description, including liability of the department for the resultant loss of use of the property, which results from accident due to the ownership, maintenance, or use of the motor vehicle.
- (4)
 - (a) The department may sue, be sued, and defend in a proceeding, in a court of law or otherwise, in the name of the department.
 - (b) An action may not be taken:
 - (i) against the commission; or
 - (ii) in the name of a commissioner.
- (5) The department is liable to respond in damages in a case if a private corporation under the same circumstances would be liable.
- (6)
 - (a) Title 63G, Chapter 7, Governmental Immunity Act of Utah, applies in an action commenced against the department for damages sustained as a result of department ownership, maintenance, or use of a motor vehicle under Subsections (4) and (5).
 - (b) In an action described in Subsection (6)(a), the commission and each commissioner are immune from suit.
- (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make rules related to measuring the alcohol content of beer.

Amended by Chapter 403, 2019 General Session

32B-2-205 Director of alcoholic beverage services.

- (1)
 - (a) In accordance with Subsection (1)(b), the governor, with the advice and consent of the Senate, shall appoint a director of alcoholic beverage services to a four-year term. The director may be appointed to more than one four-year term. The director is the administrative head of the department.
 - (b)
 - (i) The governor shall appoint the director from nominations made by the commission.

- (ii) The commission shall submit the nomination of three individuals to the governor for appointment of the director.
 - (iii) By no later than 30 calendar days from the day on which the governor receives the three nominations submitted by the commission, the governor may:
 - (A) appoint the director; or
 - (B) reject the three nominations.
 - (iv) If the governor rejects the nominations or fails to take action within the 30-day period, the commission shall nominate three different individuals from which the governor may appoint the director or reject the nominations until such time as the governor appoints the director.
 - (v) The governor may reappoint the director without seeking nominations from the commission.
 - (vi) The governor's reappointment of the director under Subsection (1)(b)(v) shall be made with the advice and consent of the Senate.
- (c)
- (i) If there is a vacancy in the position of director, during the nomination process described in Subsection (1)(b), the governor may unilaterally appoint an interim director for a period of up to 30 calendar days.
 - (ii) If a director is not appointed within the 30-day period, the interim director may continue to serve beyond the 30-day period, subject to the advice and consent of the Senate at the next scheduled time for the Senate giving consent to appointments of the governor.
 - (iii) Except that if the Senate does not act on the consent to the appointment of the interim director within 60 days of the end of the initial 30-day period, the interim director may continue as the interim director.
- (d) The director may be terminated by:
- (i) the commission by a vote of four commissioners; or
 - (ii) the governor after consultation with the commission.
- (e) The director may not be a commissioner.
- (f) The director shall:
- (i) be qualified in administration;
 - (ii) be knowledgeable by experience and training in the field of business management; and
 - (iii) possess any other qualification prescribed by the commission.
- (2) The governor shall establish the director's compensation within the salary range fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation.
- (3) The director shall:
- (a) carry out the policies of the commission;
 - (b) carry out the policies of the department;
 - (c) fully inform the commission of the operations and administrative activities of the department; and
 - (d) assist the commission in the proper discharge of the commission's duties.
- (4)
- (a) The director shall form a workgroup that includes representatives from the following:
 - (i) the department;
 - (ii) the Division of Integrated Healthcare created in Section 26B-3-102;
 - (iii) the Department of Public Safety created in Section 53-1-103;
 - (iv) the retail alcohol industry;
 - (v) the bar or restaurant industry;
 - (vi) organizations related to alcohol and drug abuse prevention, alcohol or drug related enforcement, or alcohol or drug related education; and
 - (vii) any other organization or industry the director determines beneficial.

- (b)
 - (i) The workgroup shall study and make recommendations to:
 - (A) improve the efficacy of the alcohol training and education described in Section 26B-5-205, including recommendations related to the curriculum, development, provider, and delivery; and
 - (B) maintain appropriate records of cash sale transactions in bar establishments.
 - (ii) The workgroup shall ensure that the workgroup's recommendations under Subsection (4)(b)
 - (i)(A) include a focus on improving training with respect to laws governing the responsible sale and service of alcohol.
- (c) No later than September 1, 2024, the workgroup shall provide written recommendations as provided in this Subsection (4) to the Business and Labor Interim Committee.

Amended by Chapter 94, 2024 General Session

Amended by Chapter 529, 2024 General Session

32B-2-206 Powers and duties of the director.

Subject to the powers and responsibilities of the commission under this title, the director:

- (1)
 - (a) shall prepare and propose to the commission general policies, rules, and procedures governing the administrative activities of the department; and
 - (b) may submit other recommendations to the commission as the director considers in the interest of the commission's or the department's business;
- (2) within the general policies, rules, and procedures of the commission, shall:
 - (a) provide day-to-day direction, coordination, and delegation of responsibilities in the administrative activities of the department's business; and
 - (b) make internal department policies and procedures relating to:
 - (i) department personnel matters; and
 - (ii) the day-to-day operation of the department;
- (3) subject to Section 32B-2-207, shall appoint or employ personnel as considered necessary in the administration of this title, and with regard to the personnel shall:
 - (a) prescribe the conditions of employment;
 - (b) define the respective duties and powers; and
 - (c) fix the remuneration in accordance with Title 63A, Chapter 17, Utah State Personnel Management Act;
- (4) shall establish and secure adherence to a system of reports, controls, and performance in matters relating to personnel, security, department property management, and operation of:
 - (a) a department office;
 - (b) a warehouse;
 - (c) a state store; and
 - (d) a package agency;
- (5) within the policies, rules, and procedures approved by the commission and provisions of law, shall purchase, store, keep for sale, sell, import, and control the storage, sale, furnishing, transportation, or delivery of an alcoholic product;
- (6) shall prepare for commission approval:
 - (a) recommendations regarding the location, establishment, relocation, and closure of a state store or package agency;
 - (b) recommendations regarding the issuance, denial, nonrenewal, suspension, or revocation of a license, permit, or certificate of approval;

- (c) an annual budget, proposed legislation, and reports as required by law and sound business principles;
 - (d) plans for reorganizing divisions of the department and the functions of the divisions;
 - (e) manuals containing commission and department policies, rules, and procedures;
 - (f) an inventory control system;
 - (g) any other report or recommendation requested by the commission;
 - (h) rules described in Subsection 32B-2-202(1)(o) governing the credit terms of the sale of beer;
 - (i) rules governing the calibration, maintenance, and regulation of a calibrated metered dispensing system;
 - (j) rules governing the display of a list of types and brand names of liquor furnished through a calibrated metered dispensing system;
 - (k) price lists issued and distributed showing the price to be paid for each class, variety, or brand of liquor kept for sale at a state store, package agency, or retail licensee;
 - (l) policies or rules prescribing the books of account maintained by the department and by a state store, package agency, or retail licensee; and
 - (m) a policy prescribing the manner of giving and serving a notice required by this title or rules made under this title;
- (7) shall make available through the department to any person, upon request, a copy of a policy made by the director;
- (8) shall make and maintain a current copy of a manual that contains the rules and policies of the commission and department available for public inspection;
- (9)
- (a) after consultation with the governor, shall determine whether an alcoholic product should not be sold, offered for sale, or otherwise furnished in an area of the state during a period of emergency that is proclaimed by the governor to exist in that area; and
 - (b) shall issue a necessary public announcement or policy with respect to the determination described in Subsection (9)(a);
- (10) issue event permits in accordance with Chapter 9, Event Permit Act; and
- (11) shall perform any other duty required by the commission or by law.

Amended by Chapter 345, 2021 General Session

32B-2-207 Department employees -- Requirements.

- (1) "Upper management" means the director, a deputy director, or other Schedule AD, AR, or AS employee of the department, as defined in Section 63A-17-301, except for the director of internal audits and auditors hired by the director of internal audits under Section 32B-2-302.5.
- (2)
- (a) Subject to this title, including the requirements of Chapter 1, Part 3, Qualifications and Background, the director may prescribe the qualifications of a department employee.
 - (b) The director may hire an employee who is upper management only with the approval of four commissioners voting in an open meeting.
 - (c) Except as provided in Section 32B-1-303, the executive director may dismiss an employee who is upper management after consultation with the chair of the commission.
- (3)
- (a) A person who seeks employment with the department shall file with the department an application under oath or affirmation in a form prescribed by the commission.
 - (b) Upon receiving an application, the department shall determine whether the individual is:
 - (i) of good moral character; and

- (ii) qualified for the position sought.
- (c) The department shall select an individual for employment or advancement with the department in accordance with Title 63A, Chapter 17, Utah State Personnel Management Act.
- (4) The following are not considered a department employee:
 - (a) a package agent;
 - (b) a licensee;
 - (c) a staff member of a package agent; or
 - (d) staff of a licensee.
- (5) The department may not employ a minor to:
 - (a) work in:
 - (i) a state store; or
 - (ii) a department warehouse; or
 - (b) engage in an activity involving the handling of an alcoholic product.
- (6) The department shall ensure that any training or certification required of a public official or public employee, as those terms are defined in Section 63G-22-102, complies with Title 63G, Chapter 22, State Training and Certification Requirements, if the training or certification is required:
 - (a) under this title;
 - (b) by the department; or
 - (c) by an agency or division within the department.

Amended by Chapter 345, 2021 General Session

32B-2-208 Services of State Health Laboratory.

The State Health Laboratory shall make its services available to the department when necessary. The department shall pay for the services from the Liquor Control Fund to the Department of Health and Human Services.

Amended by Chapter 328, 2023 General Session

32B-2-209 Prohibited interests, relationships, and actions.

- (1) As used in this section:
 - (a) "Applicable department employee" means a department employee who is:
 - (i) designated as a deputy or assistant director;
 - (ii) a chief administrative officer of a division within the department;
 - (iii) a department compliance officer; or
 - (iv) an employee directly performing purchasing, licensing, or compliance functions of the department.
 - (b) "Immediate family" means an individual's:
 - (i) spouse; or
 - (ii) child who is younger than 18 years of age.
 - (c) "Permit" does not include:
 - (i) an industrial or manufacturing use permit;
 - (ii) a scientific or educational use permit; or
 - (iii) a religious wine use permit.
- (2) In addition to being subject to Title 67, Chapter 16, Utah Public Officers' and Employees' Ethics Act, an individual who is a commissioner, the director, or an applicable department employee may not:

- (a) have a pecuniary interest, whether as the holder of stock or other securities other than a mutual fund, in a person who applies for or holds a package agency, license, or permit under this title;
 - (b) otherwise have a conflict of interest with a person who applies for or holds a package agency, license, or permit under this title;
 - (c) have an office, position, or relationship, or be engaged in a business or avocation that interferes or is incompatible with the effective and objective fulfillment of the duties of office or employment;
 - (d) have a direct business relationship with a person subject to administrative action under this title;
 - (e) accept a gift, gratuity, emolument, or employment from:
 - (i) a person who applies for or holds a package agency, license, or permit under this title; or
 - (ii) an officer, agent, or employee of a person who applies for or holds a package agency, license, or permit under this title, except that a commissioner, the director, or an applicable department employee may accept a gift from an officer, agent, or employee if the gift is equal to or less than \$50; or
 - (f) solicit, suggest, request, or recommend, directly or indirectly, the appointment of any person to any office or employment with a person who applies for or holds a package agency, license, or permit under this title.
- (3) An immediate family member of a commissioner, the director, or an applicable department employee may not:
- (a) have a pecuniary interest, whether as the holder of stock or other securities other than a mutual fund, in a person who applies for or holds a package agency, license, or permit under this title;
 - (b) otherwise have a conflict of interest with a person who applies for or holds a package agency, license, or permit under this title;
 - (c) have an office, position, or relationship, or be engaged in a business or avocation that interferes or is incompatible with the effective and objective fulfillment of the duties of office or employment of the commissioner, director, or applicable department employee for whom the person is immediate family;
 - (d) accept a gift, gratuity, emolument, or employment from:
 - (i) a person who applies for or holds a package agency, license, or permit under this title; or
 - (ii) an officer, agent, or employee of a person who applies for or holds a package agency, license, or permit under this title, except that an immediate family member may accept a gift from an officer, agent, or employee if the gift is equal to or less than \$50; or
 - (e) solicit, suggest, request, or recommend, directly or indirectly, the appointment of any person to any office or employment with a person who applies for or holds a package agency, license, or permit under this title.
- (4) An officer, agent, attorney, or employee of a person who applies for or holds a package agency, license, or permit under this title may not directly or indirectly solicit, request, or recommend to the governor, any state senator, the commission, or the department the appointment of any person:
- (a) as a commissioner;
 - (b) as director of the department; or
 - (c) to a department staff position.
- (5)
- (a) A commissioner shall disclose during a meeting of the commission a potential violation of this section, including the existence and nature of a professional, financial, business, or personal

interest with a person who holds, or an applicant for, a package agency, license, or permit issued under this title that may result in a violation of this section.

- (b) After a commissioner makes a disclosure under Subsection (5)(a):
 - (i) the commission may, by motion, determine whether there is a potential violation of this section;
 - (ii) if the commission determines that there is a potential violation of this section:
 - (A) the commission shall notify the governor; and
 - (B) the commissioner may not vote on any matter that would result in the potential violation of this section; and
 - (iii) if the commission determines that there is not a potential violation of this section, a commissioner may elect whether to vote on the issue that gives rise to the disclosure under Subsection (5)(a).
- (c) The commission shall record any declaration of a potential violation of this section in the minutes of the meeting.

Amended by Chapter 365, 2012 General Session

32B-2-211 Review and audit of commission rules.

- (1)
 - (a) In 2019 and every third year thereafter, the Legislature's general counsel shall review each current rule made by the commission for compliance with current statute.
 - (b) On or before December 15 of each year in which the Legislature's general counsel completes a compliance review described in Subsection (1)(a), the Legislature's general counsel shall prepare and submit a report to the president of the Senate and the speaker of the House of Representatives that describes the Legislature's general counsel's findings.
- (2)
 - (a) Subject to the prioritization of the Audit Subcommittee created in Section 36-12-8, the Office of the Legislative Auditor General may review one or more current practices of the commission or the department for compliance with current statute or rule.
 - (b) Following a review described in Subsection (2)(a), the Office of the Legislative Auditor General shall prepare and submit a report to the Audit Subcommittee that describes the Office of the Legislative Auditor General's findings and recommendations.

Enacted by Chapter 455, 2017 General Session

32B-2-212 Division of Consumer Purchasing.

There is created with the department the Division of Consumer Purchasing to establish and administer:

- (1) the wine subscription program described in Part 7, Wine Subscription Program; and
- (2) the consumer purchasing system described in Part 8, Consumer Purchasing System.

Enacted by Chapter 412, 2022 General Session

32B-2-213 Round up program.

- (1) The department may establish a round up program under which an individual who makes a purchase at a state store may elect to round the purchase price up to the nearest dollar.
- (2) The department shall deposit money the department collects under Subsection (1) into the Pamela Atkinson Homeless Account created in Section 35A-16-301.

Enacted by Chapter 94, 2024 General Session

Part 3

Fiscal Matters

32B-2-301 State property -- Liquor Control Fund -- Money to be retained by department -- Department building process.

- (1) As used in this section, "base budget" means the same as that term is defined in legislative rule.
- (2) The following are property of the state:
 - (a) the money received in the administration of this title, except as otherwise provided; and
 - (b) property acquired, administered, possessed, or received by the department.
- (3)
 - (a) There is created an enterprise fund known as the "Liquor Control Fund."
 - (b) Except as provided in Sections 32B-2-304, 32B-2-305, and 32B-2-306, the department shall deposit the following into the Liquor Control Fund:
 - (i) money received in the administration of this title; and
 - (ii) money received from the markup described in Section 32B-2-304.
 - (c) The department may draw from the Liquor Control Fund only to the extent appropriated by the Legislature or provided by statute.
 - (d) The net position of the Liquor Control Fund may not fall below zero.
- (4)
 - (a) Notwithstanding Subsection (3)(c), the department may draw by warrant from the Liquor Control Fund without an appropriation for an expenditure that is directly incurred by the department:
 - (i) to purchase an alcoholic product;
 - (ii) to transport an alcoholic product from the supplier to a warehouse of the department; or
 - (iii) for variances related to an alcoholic product, including breakage or theft.
 - (b) If the balance of the Liquor Control Fund is not adequate to cover a warrant that the department draws against the Liquor Control Fund, to the extent necessary to cover the warrant, the cash resources of the General Fund may be used.
- (5) The department's base budget shall include as an appropriation from the Liquor Control Fund:
 - (a) credit card related fees paid by the department;
 - (b) package agency compensation;
 - (c) the department's costs of shipping and warehousing alcoholic products; and
 - (d) the amount needed, as the Division of Human Resource Management determines, to make the median department salary in the previous fiscal year equal the median market salary in the previous fiscal year for the following positions:
 - (i) state store manager or equivalent;
 - (ii) state store assistant manager or equivalent;
 - (iii) full-time sales clerk at a state store or equivalent;
 - (iv) part-time sales clerk at a state store or equivalent;
 - (v) department warehouse manager or equivalent;
 - (vi) department warehouse assistant manager or equivalent;
 - (vii) full-time department warehouse worker or equivalent; and

- (viii) part-time department warehouse worker or equivalent.
- (6)
 - (a) The Division of Finance shall transfer annually from the Liquor Control Fund to the General Fund a sum equal to the amount of net profit earned from the sale of liquor since the preceding transfer of money under this Subsection (6), adjusted for amounts needed for cash operations.
 - (b) After each fiscal year, the Division of Finance shall transfer the amount calculated under Subsection (6)(a) on or before September 30.
 - (c) The Division of Finance may make year-end closing entries in the Liquor Control Fund to comply with Subsection 51-5-6(2).
- (7)
 - (a) By the end of each day, the department shall:
 - (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and
 - (ii) report the deposit to the state treasurer.
 - (b) A commissioner or department employee is not personally liable for a loss caused by the default or failure of a qualified depository.
 - (c) Money deposited in a qualified depository is entitled to the same priority of payment as other public funds of the state.
- (8) Before the Division of Finance makes the transfer described in Subsection (6), the department may retain each fiscal year from the Liquor Control Fund \$1,000,000 that the department may use for:
 - (a) capital equipment purchases;
 - (b) salary increases for department employees;
 - (c) performance awards for department employees; or
 - (d) information technology enhancements because of changes or trends in technology.

Amended by Chapter 167, 2025 General Session

32B-2-302 Exempt from Division of Finance -- Application of procurement -- External audits.

- (1)
 - (a) The laws that govern the Division of Finance are not applicable to the department in the purchase and sale of an alcoholic product.
 - (b) The department is exempt from Title 63G, Chapter 6a, Utah Procurement Code, for the purchase of an alcoholic product. The department is subject to Title 63G, Chapter 6a, Utah Procurement Code, for any purchase other than for an alcoholic product.
- (2) The state auditor shall:
 - (a) annually perform a financial audit of the department's accounts; and
 - (b) determine the scope and focus of the financial audit in an open meeting of the commission before the audit commences.
- (3) Every two years, beginning for fiscal year 2013-14, the state auditor shall conduct an audit of the department's:
 - (a) management operations, best practices, and efficiency; and
 - (b) ethics and statutory compliance.
- (4) In addition to complying with Subsections (2) and (3), the state auditor may engage in an activity related to the department or commission allowed under Utah Constitution, Article VII, Section 15 or Title 67, Chapter 3, Auditor.
- (5) The state auditor shall forward an audit report issued under Subsection (2) or (3) to the following by no later than 30 days after the day on which the audit report is made:

- (a) the governor;
- (b) the Legislative Management Committee;
- (c) the director; and
- (d) the legislative auditor general.

Amended by Chapter 349, 2013 General Session

32B-2-302.5 Internal audits.

- (1) In accordance with Title 63I, Chapter 5, Utah Internal Audit Act, the department shall conduct various types of auditing procedures determined by the commission through an internal audit division.
- (2)
 - (a) The commission shall appoint an internal audit director who shall serve at the pleasure of the commission.
 - (b) The internal audit director shall hire auditors in the division with the approval of the commission.
 - (c) The internal audit director may dismiss an auditor with the approval of the commission.
- (3) Notwithstanding Section 63I-5-301, the commission shall serve as the audit committee.
- (4) Subject to the other provisions of this section, the internal audit director shall have the powers and duties described in Section 63I-5-401 or any other duty prescribed by the chair of the commission. The internal audit director shall oversee and materially participate in internal audits conducted under this section.
- (5)
 - (a) Once an internal audit is completed, the internal audit director shall provide an internal audit report to the director, the chair of the commission, and the other commissioners.
 - (b) Within five business days of receipt of the internal audit, the director shall prepare a written response and deliver it to the chair of the commission and the other commissioners.
 - (c) Within five business days of receipt of the director's written response under Subsection (5)(b), the chair of the commission may prepare a separate response.
 - (d) Within 12 business days of the internal audit being given to the director, chair of the commission, and the other commissioners under Subsection (5)(a), the chair of the commission shall forward the audit and any response to:
 - (i) the governor;
 - (ii) the legislative auditor general; and
 - (iii) the Legislative Management Committee.
 - (e) Within 120 calendar days of an internal audit being completed, the commission shall prepare a report to the governor describing steps taken to implement the recommendations of the audit or a detailed explanation of why recommendations have not been implemented. The chair of the commission shall forward the report to:
 - (i) the legislative auditor general; and
 - (ii) the Legislative Management Committee.
 - (f) The chair of the commission shall make such other reports as the governor requests.

Enacted by Chapter 365, 2012 General Session

32B-2-303 Purchase of liquor.

- (1) The department may only:

- (a) purchase or stock spirituous liquor in a container smaller than 200 milliliters for the purpose of furnishing the spirituous liquor to a public service permittee issued a permit under Chapter 10, Part 3, Public Service Permit; and
 - (b) furnish spirituous liquor in a container smaller than 200 milliliters to a public service permittee issued a permit under Chapter 10, Part 3, Public Service Permit.
- (2)
- (a) An order by the department for the purchase of liquor, or a cancellation by the department of an order of liquor:
 - (i) shall be executed in writing by the department; and
 - (ii) is not valid or binding unless executed in writing.
 - (b) The department shall maintain a copy of an order or cancellation on file for at least three years.
 - (c) An electronic record satisfies Subsections (2)(a) and (b) pursuant to Title 46, Chapter 4, Uniform Electronic Transactions Act.

Amended by Chapter 371, 2023 General Session

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

- (1) For purposes of this section:
- (a)
 - (i) "Landed case cost" means the sum of:
 - (A) the cost of the product;
 - (B) inbound shipping costs the department incurs; and
 - (C) case handling costs the department incurs.
 - (ii) "Landed case cost" does not include the outbound shipping cost from a warehouse of the department to a state store.
 - (b) "Proof gallon" means the same as that term is defined in 26 U.S.C. Sec. 5002.
- (2) Except as provided in Subsections (3) and (4):
- (a) spirituous liquor sold by the department within the state shall be marked up in an amount not less than 88.5% above the landed case cost to the department;
 - (b) wine sold by the department within the state shall be marked up in an amount not less than 88.5% above the landed case cost to the department;
 - (c) heavy beer sold by the department within the state shall be marked up in an amount not less than 66.5% above the landed case cost to the department; and
 - (d) a flavored malt beverage sold by the department within the state shall be marked up in an amount not less than 88.5% above the landed case cost to the department.
- (3)
- (a) Liquor sold by the department to a military installation in Utah shall be marked up in an amount not less than 17% above the landed case cost to the department.
 - (b) Except for spirituous liquor sold by the department to a military installation in Utah, spirituous liquor that is sold by the department within the state shall be marked up 49% above the landed case cost to the department if:
 - (i) the spirituous liquor is manufactured by a manufacturer producing less than 30,000 proof gallons of spirituous liquor in a calendar year; and
 - (ii) the manufacturer applies to the department for a reduced markup.

- (c) Except for wine sold by the department to a military installation in Utah, wine that is sold by the department within the state shall be marked up 49% above the landed case cost to the department if:
 - (i)
 - (A) except as provided in Subsection (3)(c)(i)(B), the wine is manufactured by a manufacturer producing less than 20,000 gallons of wine in a calendar year; or
 - (B) for hard cider, the hard cider is manufactured by a manufacturer producing less than 620,000 gallons of hard cider in a calendar year; and
 - (ii) the manufacturer applies to the department for a reduced markup.
- (d) Except for heavy beer sold by the department to a military installation in Utah, heavy beer that is sold by the department within the state shall be marked up 32% above the landed case cost to the department if:
 - (i) a small brewer manufactures the heavy beer; and
 - (ii) the small brewer applies to the department for a reduced markup.
- (e) The department shall:
 - (i) for purposes of Subsections (3)(b) and (c), calculate the production amount of a manufacturer:
 - (A) by, if the manufacturer is part of a controlled group of manufacturers, including the combined volume totals of spirituous liquor, wine, or cider, as applicable, for all manufacturers that constitute the controlled group of manufacturers; and
 - (B) without considering the manufacturer's production of any other type of alcoholic product; and
 - (ii) verify that a manufacturer meets a production amount described in Subsection (3)(b) or (c) and the production amount of a small brewer under a federal or other verifiable production report.
- (f) A manufacturer seeking to obtain a reduced markup under Subsection (3)(b), (c), or (d), shall provide to the department any documentation or information the department determines necessary to determine if the manufacturer is part of a controlled group of manufacturers.
- (g) The department may, at any time, revoke a reduced markup granted to a manufacturer under Subsection (3)(b), (c), or (d), if the department determines the manufacturer no longer qualifies for the reduced markup.
- (4) Wine the department purchases on behalf of a subscriber through the wine subscription program established in Section 32B-2-702 shall be marked up not less than 88.5% above the cost of the subscription for the interval in which the wine is purchased.
- (5) The department shall deposit 10% of the total gross revenue from sales of liquor with the state treasurer to be credited to the Uniform School Fund and used to support the school meals program administered by the State Board of Education under Section 53E-3-510.
- (6)
 - (a) Each month, the department shall collect from each package agency located at a manufacturing facility owned or operated by a person licensed under Chapter 11, Manufacturing and Related Licenses Act, 12.295% of the package agency's reported monthly revenue and deposit the money as follows:
 - (i) 1.695% of the reported monthly revenue into the Alcoholic Beverage Control Act Enforcement Fund;
 - (ii) 10% of the reported monthly revenue into the Uniform School Fund and used to support the school meals program administered by the State Board of Education under Section 53E-3-510; and

- (iii) 0.60% of the reported monthly revenue into the Underage Drinking Prevention Media and Education Campaign Restricted Account.
- (b) The department may collect a fee established in accordance with Section 63J-1-504 from a package agency described in this subsection to cover the costs of regulation.
- (7) This section does not prohibit the department from selling discontinued items at a discount.
- (8) The Legislature shall annually appropriate to support substance use disorder treatment services, an amount equal to the revenue generated from a 0.5% markup above the landed case cost to the department on spirituous liquor.

Amended by Chapter 94, 2024 General Session

32B-2-305 Alcoholic Beverage Control Act Enforcement Fund.

- (1) As used in this section:
 - (a) "Alcohol-related law enforcement officer" means the same as that term is defined in Section 32B-1-201.
 - (b) "Drug-related law enforcement officer" means a law enforcement officer employed by the Department of Public Safety who has enforcement of drug-related offenses as a primary responsibility.
 - (c) "Enforcement ratio" means the same as that term is defined in Section 32B-1-201.
 - (d) "Fund" means the Alcoholic Beverage Control Act Enforcement Fund created in this section.
 - (e) "SBI drug-related law enforcement officer" means a law enforcement officer employed by the State Bureau of Investigation within the Department of Public Safety who has investigation of drug-related offenses as a primary responsibility.
 - (f) "Social worker" means an individual licensed under Title 58, Chapter 60, Part 2, Social Worker Licensing Act, and employed by the Department of Public Safety who has provision of caseworker services to individuals under 21 years old as a primary responsibility.
- (2) There is created an expendable special revenue fund known as the "Alcoholic Beverage Control Act Enforcement Fund."
- (3)
 - (a) The fund consists of:
 - (i) deposits made under Subsection (4);
 - (ii) deposits made under Section 59-15-109; and
 - (iii) interest earned on the fund.
 - (b)
 - (i) The fund shall earn interest.
 - (ii) Interest on the fund shall be deposited into the fund.
- (4) After the deposit made under Section 32B-2-304 for the school lunch program, the department shall deposit 1.695% of the total gross revenue from the sale of liquor with the state treasurer to be credited to the fund.
- (5) The deposits made under Subsection (4) and Section 59-15-109 shall be:
 - (a) used by the Department of Public Safety as provided in Subsection (6); and
 - (b) reallocated to the General Fund as described in Subsection (7).
- (6)
 - (a) The Department of Public Safety shall expend money from the fund to:
 - (i) supplement appropriations by the Legislature so that the Department of Public Safety maintains a sufficient number of alcohol-related law enforcement officers such that each year the enforcement ratio as of July 1 is equal to or less than the number specified in Section 32B-1-201; and

- (ii) maintain at least:
 - (A) 10 drug-related law enforcement officers;
 - (B) eight SBI drug-related law enforcement officers;
 - (C) two social workers; and
 - (D) three additional alcohol-related law enforcement officers who are dedicated to compliance or enforcement of this title.
- (b) Four of the alcohol-related law enforcement officers described in Subsection (6)(a)(i) shall have as a primary focus the enforcement of this title in relationship to restaurants.
- (7) For fiscal year 2023, the Division of Finance shall deposit into the General Fund \$3 million of unspent money in the fund.

Amended by Chapter 94, 2024 General Session

32B-2-306 Underage drinking prevention media and education campaign.

- (1) As used in this section:
 - (a) "Advisory committee" means the Utah Substance Use and Mental Health Advisory Committee created in Section 26B-5-801.
 - (b) "Restricted account" means the Underage Drinking Prevention Media and Education Campaign Restricted Account created in this section.
- (2)
 - (a) There is created a restricted account within the General Fund known as the "Underage Drinking Prevention Media and Education Campaign Restricted Account."
 - (b) The restricted account consists of:
 - (i) deposits made under Subsection (3); and
 - (ii) interest earned on the restricted account.
- (3) The department shall deposit 0.6% of the total gross revenue from sales of liquor with the state treasurer, as determined by the total gross revenue collected for the fiscal year two years preceding the fiscal year for which the deposit is made, to be credited to the restricted account and to be used by the department as provided in Subsection (5).
- (4)
 - (a) Before January 1, 2033, the advisory committee shall:
 - (i) provide ongoing oversight of a media and education campaign funded under this section;
 - (ii) create an underage drinking prevention workgroup consistent with guidelines proposed by the advisory committee related to the membership and duties of the underage drinking prevention workgroup;
 - (iii) create guidelines for how money appropriated for a media and education campaign can be used;
 - (iv) include in the guidelines established pursuant to this Subsection (4) that a media and education campaign funded under this section is carefully researched and developed, and appropriate for target groups; and
 - (v) approve plans submitted by the department in accordance with Subsection (5).
 - (b) On or after January 1, 2033, the department shall:
 - (i) provide ongoing oversight of a media and education campaign funded under this section;
 - (ii) create guidelines for how money appropriated for a media and education campaign can be used; and
 - (iii) include in the guidelines established pursuant to this Subsection (4) that a media and education campaign funded under this section is carefully researched and developed, and appropriate for target groups.

- (5)
 - (a) Subject to appropriation from the Legislature, the department shall expend money from the restricted account to direct and fund one or more media and education campaigns designed to reduce underage drinking in cooperation with the advisory committee, subject to the advisory committee being in effect under Section 63I-1-232.
 - (b)
 - (i) Before January 1, 2033, the department shall:
 - (A) in cooperation with the underage drinking prevention workgroup created under Subsection (4), prepare and submit a plan to the advisory committee detailing the intended use of the money appropriated under this section;
 - (B) upon approval of the plan by the advisory committee, conduct the media and education campaign in accordance with the guidelines made by the advisory committee; and
 - (C) submit to the advisory committee annually by no later than October 1, a written report detailing the use of the money for the media and education campaigns conducted under this Subsection (5) and the impact and results of the use of the money during the prior fiscal year ending June 30.
 - (ii) On or after January 1, 2033, the department shall:
 - (A) prepare a plan detailing the intended use of the money appropriated under this section; and
 - (B) conduct the media and education campaign in accordance with the guidelines created by the department under Subsection (4)(b).

Amended by Chapter 245, 2024 General Session

Amended by Chapter 385, 2024 General Session

32B-2-307 State Store Land Acquisition and Building Construction Fund.

- (1) As used in this section, "fund" means the State Store Land Acquisition and Building Construction Fund created in this section.
- (2) There is created an enterprise fund known as the State Store Land Acquisition and Building Construction Fund.
- (3) The fund is funded from the following sources:
 - (a) appropriations made to the fund by the Legislature;
 - (b) in accordance with Subsection (6)(a), proceeds from revenue bonds authorized by Title 63B, Bonds;
 - (c) subject to Subsection (7)(b), repayments to the fund; and
 - (d) the interest described in Subsection (4).
- (4)
 - (a) The fund shall earn interest.
 - (b) Interest earned on the fund shall be deposited into the fund.
- (5) Subject to Subsection (6), the department may use the money deposited into the fund:
 - (a) for construction of new state stores, including to purchase or lease property; and
 - (b) for maintenance or renovation of existing state stores or facilities.
- (6)
 - (a) Before the department spends or commits money from the fund, the department shall:
 - (i) present to the Transportation and Infrastructure Appropriations Subcommittee a description of how the department will spend the money; and
 - (ii) if the department intends to spend or commit money from the fund for construction of a new state store:

- (A) receive approval from the Division of Facilities Construction and Management, created in Section 63A-5b-301; and
- (B) receive authorization in an appropriations act.
- (b) Following a presentation described in Subsection (6)(a)(i), the Transportation and Infrastructure Appropriations Subcommittee shall recommend whether the department spend the money in accordance with the department's presentation.
- (7)
 - (a) If the department uses money in the fund for a purpose described in Subsection (5), and subsequently issues a revenue bond for that purpose, the department shall repay the money with proceeds from the revenue bond.
 - (b) If the department uses money from the fund for a purpose described in Subsection (5), and subsequently uses, instead of issuing bonds, cash funding appropriated by the Legislature to fund that purpose, the department shall reimburse the fund:
 - (i) with proceeds from liquor revenue in the Liquor Control Fund, created in Section 32B-2-301, on a long-term payment schedule set by the state treasurer; and
 - (ii) before the transfer described in Subsection 32B-2-301(7).
- (8)
 - (a) If the department uses money from the fund that the Legislature appropriated as a loan to be used for the purposes described in Subsection (5), the department shall repay the money with proceeds from liquor revenue in the Liquor Control Fund, created in Section 32B-2-301:
 - (i) with interest at prevailing municipal revenue bond rates for the state of Utah at the time of loan origination minus 50 basis points; and
 - (ii) on a term not to exceed 15 years.
 - (b) The department shall make each payment under Subsection (8)(a) before the transfer described in Subsection 32B-2-301(7).

Amended by Chapter 271, 2025 General Session

Part 4

Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account Act

32B-2-401 Title.

This part is known as the "Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account Act."

Amended by Chapter 119, 2014 General Session

32B-2-402 Definitions -- Calculations.

- (1) As used in this part:
 - (a) "Account" means the Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account created in Section 32B-2-403.
 - (b) "Advisory committee" means the Utah Substance Use and Mental Health Advisory Committee created in Section 26B-5-801.
 - (c) "Alcohol-related offense" means:
 - (i) a violation of:

- (A) Section 41-6a-502; or
- (B) an ordinance that complies with the requirements of:
 - (I) Subsection 41-6a-510(1); or
 - (II) Section 76-5-207; or
- (ii) an offense involving the illegal:
 - (A) sale of an alcoholic product;
 - (B) consumption of an alcoholic product;
 - (C) distribution of an alcoholic product;
 - (D) transportation of an alcoholic product; or
 - (E) possession of an alcoholic product.
- (d) "Annual conviction time period" means the time period that:
 - (i) begins on July 1 and ends on June 30; and
 - (ii) immediately precedes the fiscal year for which an appropriation under this part is made.
- (e) "Municipality" means a city or town.
- (f)
 - (i) "Prevention" is as defined by rule, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, by the Division of Integrated Healthcare within the Department of Health and Human Services.
 - (ii) In defining the term "prevention," the Division of Substance Abuse and Mental Health shall:
 - (A) include only evidence-based or evidence-informed programs; and
 - (B) provide for coordination with local substance abuse authorities designated to provide substance abuse services in accordance with Section 17-43-201.
- (2) For purposes of Subsection 32B-2-404(1)(b)(iii), the number of premises located within the limits of a municipality or county:
 - (a) is the number determined by the department to be so located;
 - (b) includes the aggregate number of premises of the following:
 - (i) a state store;
 - (ii) a package agency; and
 - (iii) a retail licensee; and
 - (c) for a county, consists only of the number located within an unincorporated area of the county.
- (3) The department shall determine:
 - (a) a population figure according to the most current population estimate prepared by the Utah Population Committee;
 - (b) a county's population for the 25% distribution to municipalities and counties under Subsection 32B-2-404(1)(b)(i) only with reference to the population in the unincorporated areas of the county; and
 - (c) a county's population for the 25% distribution to counties under Subsection 32B-2-404(1)(b)(iv) only with reference to the total population in the county, including that of a municipality.
- (4)
 - (a) A conviction occurs in the municipality or county that actually prosecutes the offense to judgment.
 - (b) If a conviction is based upon a guilty plea, the conviction is considered to occur in the municipality or county that, except for the guilty plea, would have prosecuted the offense.

Amended by Chapter 245, 2024 General Session
Amended by Chapter 438, 2024 General Session

32B-2-403 Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account created.

- (1)
 - (a) There is created in the General Fund a restricted account known as the "Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account."
 - (b) The account is funded from:
 - (i) money deposited by the state treasurer in accordance with Section 59-15-109;
 - (ii) appropriations made to the account by the Legislature; and
 - (iii) interest described in Subsection (1)(c).
 - (c) Interest earned on the account shall be deposited into the account.
- (2)
 - (a) Consistent with the policies provided in Subsection 32B-1-103(4)(b), money in the account shall be used for statewide public purposes, including promoting the reduction of the harmful effects of substance abuse, overconsumption of alcoholic products by an adult, and alcohol consumption by minors, by exclusively funding programs or projects related to prevention, treatment, detection, prosecution, and control of violations of this title and other offenses in which alcohol or substance abuse is a contributing factor except as provided in Subsection (2)(b).
 - (b) The portion distributed under this part to a county may also be used for the confinement or treatment of persons arrested for or convicted of offenses in which alcohol or substance abuse is a contributing factor.
 - (c) A municipality or county entitled to receive money shall use the money exclusively as required by this Subsection (2).
- (3) The appropriations provided for under Section 32B-2-404 are:
 - (a) intended to supplement the budget of the appropriate agencies of each municipality and county within the state to enable the municipalities and counties to more effectively fund the programs and projects described in Subsection (2); and
 - (b) not intended to replace money that would otherwise be allocated for the programs and projects in Subsection (2).
- (4) It is the intent of the Legislature that the appropriations distributed under this part be used to fund a balanced approach to reducing the harmful effects of substance abuse, overconsumption of alcoholic products by adults, and alcohol consumption by minors. To this end, the Legislature encourages municipalities and counties receiving money under this part to use the most effective formula allocation to fund evidence-based and evidence-informed prevention programs.

Amended by Chapter 119, 2014 General Session

32B-2-404 Alcoholic Beverage and Substance Abuse Enforcement and Treatment Restricted Account distribution.

- (1)
 - (a) The money deposited into the account under Section 32B-2-403 shall be distributed to municipalities and counties:
 - (i) to the extent appropriated by the Legislature, except that the Legislature shall appropriate each fiscal year an amount equal to at least the amount deposited in the account in accordance with Section 59-15-109; and
 - (ii) as provided in this Subsection (1).
 - (b) The amount appropriated from the account shall be distributed as follows:

- (i) 25% to municipalities and counties on the basis of the percentage of the state population residing in each municipality and county;
 - (ii) 30% to municipalities and counties on the basis of each municipality's and county's percentage of the statewide convictions for all alcohol-related offenses;
 - (iii) 20% to municipalities and counties on the basis of the percentage of the following in the state that are located in each municipality and county:
 - (A) state stores;
 - (B) package agencies;
 - (C) retail licensees; and
 - (D) off-premise beer retailers; and
 - (iv) 25% to the counties for confinement and treatment purposes authorized by this part on the basis of the percentage of the state population located in each county.
- (c)
- (i) Except as provided in Subsection (1)(c)(ii), if a municipality does not have a law enforcement agency:
 - (A) the municipality may not receive money under this part; and
 - (B) the State Tax Commission:
 - (I) may not distribute the money the municipality would receive but for the municipality not having a law enforcement agency to that municipality; and
 - (II) shall distribute the money that the municipality would have received but for it not having a law enforcement agency to the county in which the municipality is located for use by the county in accordance with this part.
 - (ii) If the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, finds that a municipality described in Subsection (1)(c)(i) demonstrates that the municipality can use the money that the municipality is otherwise eligible to receive in accordance with this part, the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, may direct the State Tax Commission to distribute the money to the municipality.
- (2) To determine the distribution required by Subsection (1)(b)(ii), the State Tax Commission shall annually:
- (a) for an annual conviction time period:
 - (i) multiply by two the total number of convictions in the state obtained during the annual conviction time period for violation of:
 - (A) Section 41-6a-502; or
 - (B) an ordinance that complies with the requirements of Subsection 41-6a-510(1) or Section 76-5-207; and
 - (ii) add to the number calculated under Subsection (2)(a)(i) the number of convictions obtained during the annual conviction time period for the alcohol-related offenses other than the alcohol-related offenses described in Subsection (2)(a)(i);
 - (b) divide an amount equal to 30% of the appropriation for that fiscal year by the sum obtained in Subsection (2)(a); and
 - (c) multiply the amount calculated under Subsection (2)(b), by the number of convictions obtained in each municipality and county during the annual conviction time period for alcohol-related offenses.
- (3) By not later than September 1 each year:
- (a) the state court administrator shall certify to the State Tax Commission the number of convictions obtained for alcohol-related offenses in each municipality or county in the state during the annual conviction time period; and

- (b) the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, shall notify the State Tax Commission of any municipality that does not have a law enforcement agency.
- (4) By not later than December 1 of each year, the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, shall notify the State Tax Commission for the fiscal year of appropriation of:
 - (a) a municipality that may receive a distribution under Subsection (1)(c)(ii);
 - (b) a county that may receive a distribution allocated to a municipality described in Subsection (1)(c)(i);
 - (c) a municipality or county that may not receive a distribution because the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, has suspended the payment under Subsection 32B-2-405(2)(a); and
 - (d) a municipality or county that receives a distribution because the suspension of payment has been cancelled under Subsection 32B-2-405(2).
- (5)
 - (a) By not later than January 1 of the fiscal year of appropriation, the State Tax Commission shall annually distribute to each municipality and county the portion of the appropriation that the municipality or county is eligible to receive under this part, except for any municipality or county that the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, notifies the State Tax Commission in accordance with Subsection (4) may not receive a distribution in that fiscal year.
 - (b)
 - (i) The advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, shall prepare forms for use by a municipality or county in applying for a distribution under this part.
 - (ii) A form described in this Subsection (5) may require the submission of information the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, considers necessary to enable the State Tax Commission to comply with this part.

Amended by Chapter 245, 2024 General Session

Amended by Chapter 385, 2024 General Session

32B-2-405 Reporting by municipalities and counties -- Grants.

- (1) A municipality or county that receives money under this part during a fiscal year shall by no later than October 1 following the fiscal year:
 - (a) report to the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033:
 - (i) the programs or projects of the municipality or county that receive money under this part;
 - (ii) if the money for programs or projects were exclusively used as required by Subsection 32B-2-403(2);
 - (iii) indicators of whether the programs or projects that receive money under this part are effective; and
 - (iv) if money received under this part was not expended by the municipality or county; and
 - (b) provide the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, a statement signed by the chief executive officer of the county or municipality attesting that the money received under this part was used in addition to money appropriated or otherwise available for the county's or municipality's law enforcement and was not used to supplant that money.

- (2) The advisory committee, before January 1, 2033, may, by a majority vote, or the department, on or after January 1, 2033, may:
 - (a) suspend future payments under Subsection 32B-2-404(4) to a municipality or county that:
 - (i) does not file a report that meets the requirements of Subsection (1); or
 - (ii) the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, finds does not use the money as required by Subsection 32B-2-403(2) on the basis of the report filed by the municipality or county under Subsection (1); and
 - (b) cancel a suspension under Subsection (2)(a).
- (3) The State Tax Commission shall notify the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, of the balance of any undistributed money after the annual distribution under Subsection 32B-2-404(5).
- (4)
 - (a) Subject to the requirements of this Subsection (4), the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, shall award the balance of undistributed money under Subsection (3):
 - (i) as prioritized by majority vote of the advisory committee, before January 1, 2033, or by the department, on or after January 1, 2033; and
 - (ii) as grants to:
 - (A) a county;
 - (B) a municipality;
 - (C) the department;
 - (D) the Department of Human Services;
 - (E) the Department of Public Safety; or
 - (F) the State Board of Education.
 - (b) By not later than May 30 of the fiscal year of the appropriation, the advisory committee, before January 1, 2033, or the department, on or after January 1, 2033, shall notify the State Tax Commission of grants awarded under this Subsection (4).
 - (c) The State Tax Commission shall make payments of a grant:
 - (i) upon receiving notice as provided under Subsection (4)(b); and
 - (ii) by not later than June 30 of the fiscal year of the appropriation.
 - (d) An entity that receives a grant under this Subsection (4) shall use the grant money exclusively for programs or projects described in Subsection 32B-2-403(2).

Amended by Chapter 245, 2024 General Session

Amended by Chapter 385, 2024 General Session

Part 5

State Store

32B-2-501 Commission's power to establish a state store.

- (1) The commission may establish state stores in the numbers and at places, owned or leased by the department, that the commission considers proper for the sale of liquor by employees of the state, in accordance with this title and the rules made under this title.
- (2) The commission may not establish a total number of state stores that at any time exceeds the number determined by dividing the population of the state by 48,000.

- (3) The commission may not establish a state store at premises that do not meet the proximity requirements of Section 32B-1-202.
- (4) An employee of a state store is considered a department employee and shall meet the qualification requirements for employment in Sections 32B-1-303 and 32B-2-207.
- (5)
 - (a) The commission shall ensure that signage installed or replaced at or near a state store, on or after May 11, 2010, complies with Subsection (5)(b) if the signage is:
 - (i) attached to the exterior of the premises of a state store; or
 - (ii) not attached to the premises of a state store, but otherwise alerts or directs a person to the location of a state store.
 - (b) Signage described in Subsection (5)(a) shall contain the following words in the size of lettering required by Subsection (5)(c):
 - (i) "state"; or
 - (ii) "State of Utah."
 - (c) The text described in Subsection (5)(b) shall be in lettering that is equal to or larger than the size of any text on the same signage that refers to "liquor" or "wine."

Enacted by Chapter 276, 2010 General Session

Amended by Chapter 276, 2010 General Session, (Coordination Clause)

32B-2-502 Commission and department duties before establishing a state store.

- (1)
 - (a) Before the commission may establish a state store, the department shall conduct an investigation and may hold public hearings to gather information and make recommendations to the commission to assure appropriate service to the general population of the state.
 - (b) The department shall forward the information and recommendations described in Subsection (1)(a) to the commission to aid in the commission's determination.
- (2) Before establishing a state store, the commission shall:
 - (a) determine that the local authority of the locality where the state store will be located is consulted;
 - (b) determine that the state store complies with the zoning ordinances of the locality where the state store will be located;
 - (c) consider the locality within which the proposed state store will be located including:
 - (i) economic factors, such as:
 - (A) bid price;
 - (B) lease terms;
 - (C) operating costs; and
 - (D) local taxes;
 - (ii) physical characteristics, such as:
 - (A) condition of the premises;
 - (B) space availability;
 - (C) parking;
 - (D) common areas;
 - (E) conformance to building and safety codes;
 - (F) delivery access; and
 - (G) expandability; and
 - (iii) operational factors, such as:
 - (A) tourist traffic;

- (B) access to the public;
 - (C) demographics;
 - (D) population to be served;
 - (E) the nature of surrounding establishments;
 - (F) proximity to and density of other state stores, package agencies, and retail licensees;
 - (G) proximity to residential communities; and
 - (H) proximity to educational, religious, and recreational facilities; and
- (d) consider any other factor the commission considers necessary.

Enacted by Chapter 276, 2010 General Session

32B-2-503 Operational requirements for a state store.

- (1)
- (a) A state store shall display in a prominent place in the store a sign in large letters that consists of text in the following order:
 - (i) a header that reads: "WARNING";
 - (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy can cause birth defects and permanent brain damage for the child.";
 - (iii) a statement in smaller font that reads: "Call the Utah Department of Health at [insert most current toll-free number] with questions or for more information.";
 - (iv) a header that reads: "WARNING"; and
 - (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."
 - (b)
 - (i) The text described in Subsections (1)(a)(i) through (iii) shall be in a different font style than the text described in Subsections (1)(a)(iv) and (v).
 - (ii) The warning statements in the sign described in Subsection (1)(a) shall be in the same font size.
 - (c) The Department of Health shall work with the commission and department to facilitate consistency in the format of a sign required under this section.
- (2) A state store may not sell, offer for sale, or furnish liquor except at a price fixed by the commission.
- (3) A state store may not sell, offer for sale, or furnish liquor to:
- (a) a minor;
 - (b) a person actually, apparently, or obviously intoxicated;
 - (c) a known interdicted person; or
 - (d) a known habitual drunkard.
- (4)
- (a) A state store employee may not:
 - (i) consume an alcoholic product on the premises of a state store; or
 - (ii) allow any person to consume an alcoholic product on the premises of a state store.
 - (b) A violation of this Subsection (4) is a class B misdemeanor.
- (5)
- (a) Sale or delivery of liquor may not be made on or from the premises of a state store, and a state store may not be kept open for the sale of liquor:
 - (i) on Sunday; or
 - (ii) on a state or federal legal holiday.

- (b) Sale or delivery of liquor may be made on or from the premises of a state store, and a state store may be open for the sale of liquor, only on a day and during hours that the commission directs by rule or order.
- (6)
 - (a) A minor may not be admitted into, or be on the premises of, a state store unless accompanied by a person who is:
 - (i) 21 years of age or older; and
 - (ii) the minor's parent, legal guardian, or spouse.
 - (b) A state store employee that has reason to believe that a person who is on the premises of a state store is under the age of 21 and is not accompanied by a person described in Subsection (6)(a) may:
 - (i) ask the suspected minor for proof of age;
 - (ii) ask the person who accompanies the suspected minor for proof of age; and
 - (iii) ask the suspected minor or the person who accompanies the suspected minor for proof of parental, guardianship, or spousal relationship.
 - (c) A state store employee shall refuse to sell liquor to the suspected minor and to the person who accompanies the suspected minor into the state store if the suspected minor or person fails to provide information specified in Subsection (6)(b).
 - (d) A state store employee shall require a suspected minor and the person who accompanies the suspected minor into the state store to immediately leave the premises of the state store if the suspected minor or person fails to provide information specified in Subsection (6)(b).
- (7)
 - (a) A state store may not sell, offer for sale, or furnish liquor except in a sealed container.
 - (b) A person may not open a sealed container on the premises of a state store.
- (8) On or after October 1, 2011, a state store may not sell, offer for sale, or furnish heavy beer in a sealed container that exceeds two liters.
- (9) A state store may not sell, offer for sale, or furnish:
 - (a) liquor that is intended to be frozen and consumed in a manner other than as a beverage, including liquor in the form of a freeze pop, popsicle, ice cream, or sorbet; or
 - (b) liquor that contains more than 80% alcohol by volume.

Amended by Chapter 94, 2024 General Session

32B-2-504 Delivery of liquor to state store.

- (1) Liquor to be sold from a state store may be transported from a warehouse authorized by the department to the state store if transported by a person authorized by the department to transport the liquor to the state store, including a common carrier.
- (2) A person, while in or about a vehicle in which liquor is being transported, may not open, break, or allow to be opened or broken, a container containing liquor.
- (3) A person may not drink, use, or allow to be drunk or used, liquor while it is in transit under this section.

Amended by Chapter 307, 2011 General Session

Amended by Chapter 334, 2011 General Session

32B-2-505 Reporting requirements -- Building plan and market survey required -- Department performance measures.

- (1) In 2018 and each year thereafter, the department shall present a five-year building plan to the Transportation and Infrastructure Appropriations Subcommittee that describes the department's anticipated property acquisition, building, and remodeling for the five years following the day on which the department presents the five-year building plan.
- (2)
 - (a) In 2018 and every other year thereafter, the department shall complete a market survey to inform the department's five-year building plan described in Subsection (1).
 - (b) The department shall:
 - (i) provide a copy of each market survey to the Transportation and Infrastructure Appropriations Subcommittee and the Business and Labor Interim Committee; and
 - (ii) upon request, appear before the Transportation and Infrastructure Appropriations Subcommittee to present the results of the market survey.
- (3) For fiscal year 2018-19 and each fiscal year thereafter, before the fiscal year begins, the Governor's Office of Planning and Budget, in consultation with the department and the Office of the Legislative Fiscal Analyst, shall establish performance measures and goals to evaluate the department's operations during the fiscal year.
- (4)
 - (a) The department may not submit a request to the Division of Facilities Construction and Management for a capital development project unless the department first obtains approval from the Governor's Office of Planning and Budget.
 - (b) In determining whether to grant approval for a request described in Subsection (4)(a), the Governor's Office of Planning and Budget shall evaluate the extent to which the department met the performance measures and goals described in Subsection (3) during the previous fiscal year.

Amended by Chapter 271, 2025 General Session

Part 6

Package Agency

32B-2-601 Commission's power to issue package agency.

- (1)
 - (a) The commission may, when the commission considers proper, issue authority to operate as a package agency by directing the department to enter into a package agency agreement with a person to sell, offer for sale, or furnish liquor in sealed containers from premises other than those owned or leased by the state.
 - (b) The commission shall authorize a person to operate a package agency by issuing a record that designates the person in charge of the package agency as a "package agent."
- (2)
 - (a) Subject to this Subsection (2), the commission may not issue a total number of package agencies that at any time exceeds the number determined by dividing the population of the state by 18,000.
 - (b)
 - (i) The commission may issue a seasonal package agency in an area the commission considers proper.
 - (ii) A seasonal package agency shall be for a period of six consecutive months.

- (iii) A seasonal package agency issued for operation during a summer time period is known as a "Seasonal A" package agency. The period of operation for a Seasonal A package agency shall:
 - (A) begin on May 1; and
 - (B) end on October 31.
- (iv) A seasonal package agency issued for operation during a winter time period is known as a "Seasonal B" package agency. The period of operation for a Seasonal B package agency shall:
 - (A) begin on November 1; and
 - (B) end on April 30.
- (v) In determining the number of package agencies that the commission may issue under this section:
 - (A) a seasonal package agency is counted as one-half of one package agency; and
 - (B) each Seasonal A package agency shall be paired with a Seasonal B package agency.
- (c)
 - (i) If the location, design, and construction of a hotel may require more than one package agency sales location to serve the public convenience, the commission may authorize a single package agent to sell liquor at as many as three locations within the hotel under one package agency if:
 - (A) the hotel has a minimum of 150 guest rooms; and
 - (B) all locations under the package agency are:
 - (I) within the same hotel; and
 - (II) on premises that are managed or operated, and owned or leased, by the package agent.
 - (ii) A facility other than a hotel shall have a separate package agency for each location where liquor may be sold, offered for sale, or furnished.
- (3)
 - (a) A package agent, under the direction of the department, is responsible for implementing and enforcing this title and the rules adopted under this title to the extent this title and the rules relate to the conduct of the package agency and a package agency's sale of liquor.
 - (b) A package agent may not be a state employee. A package agent may not be construed to be a state employee or otherwise entitled to any benefit of employment from the state.
 - (c) A package agent, when selling liquor from a package agency, is considered an agent of the state only to the extent specifically expressed in the package agency agreement.
- (4) The commission may prescribe by rule one or more types of package agencies issued under this part that are consistent with this title.

Amended by Chapter 307, 2011 General Session

32B-2-602 Application and renewal requirements for a package agency.

- (1) Before a person may store, sell, offer for sale, or furnish liquor in a sealed container on its premises under a package agency, the person shall first obtain a package agency issued by the commission in accordance with this part.
- (2) To obtain a package agency, a person seeking to be the package agent under this part shall submit to the department:
 - (a) a written application in a form prescribed by the department;
 - (b) a nonrefundable application fee of \$125;
 - (c) written consent of the local authority;

- (d) evidence of proximity to any community location, with proximity requirements being governed by Section 32B-1-202;
 - (e) a bond as specified by Section 32B-2-604;
 - (f) a floor plan of the premises, including a description and highlighting of that part of the premises in which the person proposes that the package agency be located;
 - (g) evidence that the package agency is carrying public liability insurance in an amount and form satisfactory to the department;
 - (h) a signed consent form stating that the package agent permits any authorized representative of the commission, department, or any law enforcement officer to have unrestricted right to enter the premises of the package agency;
 - (i) if the person applying is an entity, verification that a person who signs the package agency application is authorized to sign on behalf of the entity; and
 - (j) any other information the commission or department may require.
- (3) The commission may not issue a package agency to a person who is disqualified under Section 32B-1-304.
- (4) The commission may not issue a package agency for premises that do not meet the proximity requirements of Section 32B-1-202.
- (5) For the renewal of a package agency agreement, the package agent shall submit to the department any information the commission or department may require.

Amended by Chapter 447, 2022 General Session

32B-2-603 Commission and department duties before issuing a package agency.

- (1)
- (a) Before the commission may issue a package agency, the department shall conduct an investigation and may hold public hearings to gather information and make recommendations to the commission to assure appropriate service to the general population of the state.
 - (b) The department shall forward the information and recommendations described in Subsection (1)(a) to the commission to aid in the commission's determination.
- (2) Before issuing a package agency, the commission shall:
- (a) determine that the person filed a complete application and is in compliance with Section 32B-2-602;
 - (b) determine that the person is not disqualified under Section 32B-1-304;
 - (c) determine that the package agency premises complies with the zoning ordinances of the locality where the package agency will be located;
 - (d) consider the locality within which the proposed package agency will be located, including:
 - (i) physical characteristics, such as:
 - (A) condition of the premises;
 - (B) square footage;
 - (C) parking; and
 - (D) delivery access; and
 - (ii) operational factors, such as:
 - (A) tourist traffic;
 - (B) access to the public;
 - (C) demographics;
 - (D) population to be served;
 - (E) the nature of surrounding establishments;
 - (F) proximity to and density of other state stores, package agencies, and retail licensees;

- (G) proximity to residential communities; and
- (H) the extent of and proximity to educational, religious, and recreational facilities;
- (e) consider the person's ability to manage and operate a package agency, including:
 - (i) management experience;
 - (ii) past retail liquor experience;
 - (iii) the type of establishment or business in which the package agency may be located;
 - (iv) hours of operation; and
 - (v) ability to maintain inventory levels as set by the department; and
- (f) consider any other factor the commission considers necessary.

Enacted by Chapter 276, 2010 General Session

32B-2-604 Bond related to package agency.

- (1)
 - (a) A package agent who has a consignment liquor inventory owned by the state shall post a:
 - (i) consignment surety bond:
 - (A) payable to the department; and
 - (B) in the amount of the consignment inventory; and
 - (ii) cash or surety bond:
 - (A) payable to the department; and
 - (B) in the penal amount of at least \$1,000, as the department determines.
 - (b) A package agent who has a consignment liquor inventory shall ensure that a consignment surety bond is conditioned upon a package agent's return of the unsold consignment liquor inventory at the termination of a package agency agreement.
- (2) A package agent that owns the package agency's liquor inventory shall post a cash bond or surety bond:
 - (a) in the penal amount of at least \$1,000, as the department determines; and
 - (b) payable to the department.
- (3) A package agent shall procure and maintain the bond required under this section for as long as the package agent continues to operate as a package agent.
- (4) A bond required under this section shall be:
 - (a) in a form approved by the attorney general; and
 - (b) conditioned upon the package agent's faithful compliance with this title, the rules of the commission, and the package agency agreement.
- (5)
 - (a) If a surety bond posted by a package agency under this section is canceled due to the package agent's or package agency's negligence, the department may assess a \$300 reinstatement fee.
 - (b) No part of a bond posted by a package agent under this section may be withdrawn:
 - (i) during the period the package agency is in effect; or
 - (ii) while a revocation of the package agency is pending against the package agent.
- (6)
 - (a) A bond posted under this section by a package agent may be forfeited if the package agency is revoked.
 - (b) Notwithstanding Subsection (6)(a), the department may make a claim against a bond posted by a package agent for money owed the department under this title without the commission first revoking the package agency.

Amended by Chapter 291, 2021 General Session

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

- (1)
 - (a) A person may not operate a package agency until a package agency agreement is entered into by the package agent and the department.
 - (b) A package agency agreement shall state the conditions of operation by which the package agent and the department are bound.
 - (c)
 - (i) If a package agent or staff of the package agent violates this title, rules under this title, or the package agency agreement, the department may take any action against the package agent that is allowed by the package agency agreement.
 - (ii) An action against a package agent is governed solely by its package agency agreement and may include suspension or revocation of the package agency.
 - (iii) A package agency agreement shall provide procedures to be followed if a package agent fails to pay money owed to the department including a procedure for replacing the package agent or operator of the package agency.
 - (iv) A package agency agreement shall provide that the package agency is subject to covert investigations for selling an alcoholic product to a minor.
 - (v) Notwithstanding that this part refers to "package agency" or "package agent," staff of the package agency or package agent is subject to the same requirement or prohibition.
- (2)
 - (a) A package agency shall be operated by an individual who is either:
 - (i) the package agent; or
 - (ii) an individual designated by the package agent.
 - (b) An individual who is a designee under this Subsection (2) shall be:
 - (i) an employee of the package agent; and
 - (ii) responsible for the operation of the package agency.
 - (c) The conduct of the designee is attributable to the package agent.
 - (d) A package agent shall submit the name of the person operating the package agency to the department for the department's approval.
 - (e) A package agent shall state the name and title of a designee on the application for a package agency.
 - (f) A package agent shall:
 - (i) inform the department of a proposed change in the individual designated to operate a package agency; and
 - (ii) receive prior approval from the department before implementing the change described in this Subsection (2)(f).
 - (g) Failure to comply with the requirements of this Subsection (2) may result in the immediate termination of a package agency agreement.
- (3)
 - (a) A package agent shall display in a prominent place in the package agency the record issued by the commission that designates the package agency.
 - (b) A package agent that displays or stores liquor at a location visible to the public shall display in a prominent place in the package agency a sign in large letters that consists of text in the following order:
 - (i) a header that reads: "WARNING";

- (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy can cause birth defects and permanent brain damage for the child.";
 - (iii) a statement in smaller font that reads: "Call the Utah Department of Health at [insert most current toll-free number] with questions or for more information.";
 - (iv) a header that reads: "WARNING"; and
 - (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."
- (c)
- (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different font style than the text described in Subsections (3)(b)(iv) and (v).
 - (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the same font size.
- (d) The Department of Health and Human Services shall work with the commission and department to facilitate consistency in the format of a sign required under this section.
- (4) A package agency may not display liquor or a price list in a window or showcase that is visible to passersby.
- (5)
- (a) A package agency may not purchase liquor from a person except from the department.
 - (b) At the discretion of the department, the department may provide liquor to a package agency for sale on consignment.
- (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place other than as designated in the package agent's application, unless the package agent first applies for and receives approval from the department for a change of location within the package agency premises.
- (7)
- (a) Except as provided in Subsection (7)(b), a package agency may not sell, offer for sale, or furnish liquor except at a price fixed by the commission.
 - (b) A package agency may provide as room service one alcoholic product free of charge per guest reservation, per guest room, if:
 - (i) the package agency is the type of package agency that authorizes the package agency to sell, offer for sale, or furnish an alcoholic product as part of room service;
 - (ii) staff of the package agency provides the alcoholic product:
 - (A) in person; and
 - (B) only to an adult guest in the guest room;
 - (iii) staff of the package agency does not leave the alcoholic product outside a guest room for retrieval by a guest; and
 - (iv) the alcoholic product:
 - (A) is not a spirituous liquor; and
 - (B) is in an unopened container not to exceed 750 milliliters.
- (8) A package agency may not sell, offer for sale, or furnish liquor to:
- (a) a minor;
 - (b) a person actually, apparently, or obviously intoxicated;
 - (c) a known interdicted person; or
 - (d) a known habitual drunkard.
- (9)
- (a) A package agency may not employ a minor to handle liquor.
 - (b)
 - (i) Staff of a package agency may not:

- (A) consume an alcoholic product on the premises of a package agency; or
 - (B) allow any person to consume an alcoholic product on the premises of a package agency.
 - (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.
- (10)
- (a) A package agency may not close or cease operation for a period longer than 72 hours, unless:
 - (i) the package agency notifies the department in writing at least seven days before the day on which the package agency closes or ceases operation; and
 - (ii) the closure or cessation of operation is first approved by the department.
 - (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package agency shall immediately notify the department by telephone.
 - (c)
 - (i) The department may authorize a closure or cessation of operation for a period not to exceed 60 days.
 - (ii) The department may extend the initial period described in Subsection (10)(c)(i) an additional 30 days upon written request of the package agency and upon a showing of good cause.
 - (iii) A closure or cessation of operation may not exceed a total of 90 days without commission approval.
 - (d) The notice required by Subsection (10)(a) shall include:
 - (i) the dates of closure or cessation of operation;
 - (ii) the reason for the closure or cessation of operation; and
 - (iii) the date on which the package agency will reopen or resume operation.
 - (e) Failure of a package agency to provide notice and to obtain department authorization before closure or cessation of operation results in an automatic termination of the package agency agreement effective immediately.
 - (f) Failure of a package agency to reopen or resume operation by the approved date results in an automatic termination of the package agency agreement effective on that date.
- (11) A package agency may not transfer the package agency's operations from one location to another location without prior written approval of the commission.
- (12)
- (a) A person, having been issued a package agency, may not sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the package agency to another person, whether for monetary gain or not.
 - (b) A package agency has no monetary value for any type of disposition.
- (13)
- (a) Subject to the other provisions of this Subsection (13):
 - (i) sale or delivery of liquor may not be made on or from the premises of a package agency, and a package agency may not be kept open for the sale of liquor:
 - (A) on Sunday; or
 - (B) on a state or federal legal holiday; and
 - (ii) sale or delivery of liquor may be made on or from the premises of a package agency, and a package agency may be open for the sale of liquor, only on a day and during hours that the commission directs by rule or order.
 - (b) A package agency located at a manufacturing facility is not subject to Subsection (13)(a) if:
 - (i) the package agency is located at a manufacturing facility licensed in accordance with Chapter 11, Manufacturing and Related Licenses Act; and
 - (ii) the package agency only sells an alcoholic product produced at the manufacturing facility.
 - (c)

- (i) Subsection (13)(a) does not apply to a package agency held by the following if the package agent that holds the package agency to sell liquor at a resort or hotel does not sell liquor in a manner similar to a state store:
 - (A) a resort licensee; or
 - (B) a hotel licensee.
 - (ii) The commission may by rule define what constitutes a package agency that sells liquor "in a manner similar to a state store."
- (14)
 - (a) Except to the extent authorized by commission rule, a minor may not be admitted into, or be on the premises of, a package agency unless accompanied by a person who is:
 - (i) 21 years old or older; and
 - (ii) the minor's parent, legal guardian, or spouse.
 - (b) A package agent or staff of a package agency that has reason to believe that a person who is on the premises of a package agency is under 21 years old and is not accompanied by a person described in Subsection (14)(a) may:
 - (i) ask the suspected minor for proof of age;
 - (ii) ask the person who accompanies the suspected minor for proof of age; and
 - (iii) ask the suspected minor or the person who accompanies the suspected minor for proof of parental, guardianship, or spousal relationship.
 - (c) A package agent or staff of a package agency shall refuse to sell liquor to the suspected minor and to the person who accompanies the suspected minor into the package agency if the minor or person fails to provide any information specified in Subsection (14)(b).
 - (d) A package agent or staff of a package agency shall require the suspected minor and the person who accompanies the suspected minor into the package agency to immediately leave the premises of the package agency if the minor or person fails to provide information specified in Subsection (14)(b).
- (15)
 - (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed container.
 - (b) A person may not open a sealed container on the premises of a package agency.
 - (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or furnish liquor in other than a sealed container:
 - (i) if the package agency is the type of package agency that authorizes the package agency to sell, offer for sale, or furnish the liquor as part of room service;
 - (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and
 - (iii) subject to:
 - (A) staff of the package agency providing the liquor in person only to an adult guest in the guest room or privately owned dwelling unit;
 - (B) staff of the package agency not leaving the liquor outside a guest room or privately owned dwelling unit for retrieval by a guest or resident; and
 - (C) the same limits on the portions in which an alcoholic product may be sold by a retail licensee under Section 32B-5-304.
- (16) A package agency may not sell, offer for sale, or furnish:
 - (a) heavy beer in a sealed container that exceeds two liters; or
 - (b) liquor that contains more than 80% alcohol by volume.
- (17) The department may pay or otherwise remunerate a package agent on any basis, including sales or volume of business done by the package agency.
- (18) The commission may prescribe by policy or rule general operational requirements of a package agency that are consistent with this title and relate to:

- (a) physical facilities;
 - (b) conditions of operation;
 - (c) hours of operation;
 - (d) inventory levels;
 - (e) payment schedules;
 - (f) methods of payment;
 - (g) premises security; and
 - (h) any other matter considered appropriate by the commission.
- (19) A package agency may not maintain a minibar.

Amended by Chapter 94, 2024 General Session

32B-2-606 Delivery of liquor to package agency.

- (1) Liquor to be sold from a package agency may be transported from a warehouse or state store authorized by the department to the package agency if transported by a person authorized by the department to transport the liquor to the package agency, including a common carrier.
- (2) A person, while in or about a vehicle in which liquor is being transported, may not open, break, or allow to be opened or broken, a container containing liquor.
- (3) A person may not drink, use, or allow to be drunk or used, any liquor while the liquor is in transit under this section.

Amended by Chapter 307, 2011 General Session

Amended by Chapter 334, 2011 General Session

32B-2-607 Return of inventory by package agent.

A package agent shall immediately return to the department liquor previously received from the department on consignment that remains unsold at the time the package agent's package agency agreement terminates or the liquor is subject to immediate seizure by the department.

Enacted by Chapter 276, 2010 General Session

Part 7

Wine Subscription Program

32B-2-701 Definitions.

As used in this part:

- (1) "Division" means the Division of Consumer Purchasing created in Section 32B-2-212.
- (2) "Subscriber" means an individual who subscribes to a wine subscription as described in Subsection 32B-2-702(2).
- (3) "Subscription program" means the wine subscription program established in Section 32B-2-702.
- (4) "Wine subscription" means an arrangement in which a customer pays a recurring price at regular intervals for a product that involves the shipment or transportation of wine.
- (5) "Wine subscription business" means a person that:
 - (a) sells or offers for sale a wine subscription; and
 - (b) contracts with the department to participate in the subscription program.

Amended by Chapter 412, 2022 General Session

32B-2-702 Wine subscription program.

- (1) The division shall establish and administer a wine subscription program as described in this part.
- (2) The subscription program shall permit an individual to subscribe to a wine subscription that a wine subscription business sells or offers for sale by:
 - (a) enrolling in the wine subscription program in a manner the division prescribes;
 - (b) authorizing the division to purchase the wine subscription in the individual's name;
 - (c) paying the division, in a manner the division prescribes:
 - (i) the price of the wine subscription;
 - (ii) in addition to any tax, the markup described in Subsection 32B-2-304(4); and
 - (iii) a fee the division charges in accordance with Subsection 32B-2-703(1); and
 - (d) designating the state store or package agency at which the individual would prefer to collect the wine.
- (3) The division shall:
 - (a) designate by contract with a wine subscription business the department warehouse to which the wine subscription business ships or transports wine under the subscription program;
 - (b) deliver wine purchased through the subscription program to the appropriate state store or package agency; and
 - (c) notify a subscriber when wine purchased through the subscription program is ready for the subscriber to collect from the state store or package agency described in Subsection (3)(b).

Amended by Chapter 412, 2022 General Session

32B-2-703 Fees -- Rulemaking.

- (1) The division may charge a fee as part of the subscription program:
 - (a) in accordance with Section 63J-1-504; and
 - (b) to cover costs to the division for administering the subscription program.
- (2) The commission may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for the administration of this part, including rules designating which package agencies may receive from the division wines that are purchased through the subscription program.

Amended by Chapter 412, 2022 General Session

Part 8

Consumer Purchasing System

32B-2-801 Definitions.

As used in this part:

- (1) "Consumer purchasing system" means the consumer purchasing system established in Section 32B-2-802.
- (2) "Division" means the Division of Consumer Purchasing created in Section 32B-2-212.

Enacted by Chapter 412, 2022 General Session

32B-2-802 Consumer purchasing system.

- (1) The division shall establish and administer a consumer purchasing system that:
 - (a) allows a person to:
 - (i) order an alcoholic product from an approved vendor through the division; and
 - (ii) pick up an alcoholic product ordered as described in Subsection (1)(a)(i) from a state store or package agency; and
 - (b) requires a person ordering an alcoholic product as described in Subsection (1)(a) to, at the time the order is made:
 - (i) designate a state store or package agency at which the person would prefer to collect the alcoholic product; and
 - (ii) pay the division for the alcoholic product order in full, including:
 - (A) the cost of the alcoholic product; and
 - (B) in addition to any tax, the markup described in Section 32B-2-304.
- (2) The division shall:
 - (a) ensure that an alcoholic product ordered through the consumer purchasing system is shipped or transported to a department warehouse;
 - (b) deliver an alcoholic product ordered through the consumer purchasing system to the appropriate state store or package agency;
 - (c) notify the person who ordered an alcoholic product through the consumer purchasing system when the alcoholic product is ready for the person to collect; and
 - (d) administer the consumer purchasing system in a manner that:
 - (i) is efficient;
 - (ii) ensures timely delivery of alcoholic products; and
 - (iii) frequently updates a person who orders an alcoholic product through the consumer purchasing system on the status of the order.
- (3) The division may not require that a person order a specific quantity of an alcoholic product that is:
 - (a) different than a quantity the vendor offers for sale; or
 - (b) larger than the smallest quantity the vendor offers for sale.

Enacted by Chapter 412, 2022 General Session

32B-2-803 Rulemaking.

The commission may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to carry out the provisions of this part.

Enacted by Chapter 412, 2022 General Session