

Effective 5/10/2016

Part 2
Hotel Licensing Process

32B-8b-201 Commission's power to issue a hotel license.

- (1) Before a person as a hotel under a single license may store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on sublicense premises, the person shall first obtain a hotel license from the commission in accordance with this part.
- (2)
 - (a) The commission may issue to a person a hotel license to allow the storage, sale, offer for sale, furnishing, and consumption of an alcoholic product in connection with a hotel designated in the hotel license if the person operates at least three sublicenses under the hotel license one of which is an on-premise banquet license and one of which is a sublicense for a restaurant or club.
 - (b) A hotel license shall:
 - (i) consist of:
 - (A) a general hotel license; and
 - (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and
 - (ii) designate the boundary of the hotel and sublicenses.
 - (c) This chapter does not prohibit an alcoholic product on the boundary of the hotel to the extent otherwise permitted by this title.
 - (d) The commission may not issue a sublicense that is separate from a hotel license.
- (3)
 - (a) The commission may not issue a total number of hotel licenses that at any time totals more than 80.
 - (b) Subject to Subsection (3)(c), when determining the total number of licenses the commission has issued for each type of retail license, the commission may not include a sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.
 - (c) If a hotel license issued under this chapter includes a club sublicense that before the issuance of the hotel license was a club license, the commission shall include the club sublicense as one of the club licenses in determining if the total number of licenses issued under the provisions applicable to the club license exceeds the number calculated by dividing the population of the state by the number specified in the provisions applicable to the club license.
 - (d) A person may not transfer a club license under Chapter 8a, Transfer of Retail License Act, in a manner that circumvents the limitations of Subsection (3)(c).

Enacted by Chapter 80, 2016 General Session

32B-8b-202 Specific licensing requirements for hotel license.

- (1) To obtain a hotel license, in addition to complying with Chapter 5, Part 2, Retail Licensing Process, a person shall submit with the written application:
 - (a) the current business license for each sublicense, if the business license is separate from the person's business license;
 - (b) evidence:
 - (i) of proximity of each building under the hotel license to any community location, with proximity requirements being governed by Section 32B-1-202;

- (ii) that each of the three or more sublicense premises is entirely within the boundary of the hotel; and
 - (iii) that a building designated in the application as a building under the hotel license qualifies to be under the hotel license;
 - (c) a description and boundary map of the hotel;
 - (d) a description, floor plan, and boundary map of each sublicense premises designating:
 - (i) any location at which the person proposes that an alcoholic product be stored; and
 - (ii) a designated location on the sublicense premises from which the person proposes that an alcoholic product be sold, furnished, or consumed;
 - (e) evidence that the hotel licensee carries dramshop insurance coverage equal to the sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both the general hotel license and each sublicense; and
 - (f) a signed consent form stating that the person will permit any authorized representative of the commission or department, or any law enforcement officer, to have unrestricted right to enter the boundary of the hotel and each sublicense premises.
- (2)
- (a) A hotel license expires on October 31 of each year.
 - (b) To renew a person's hotel license, the person shall comply with the requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.
- (3)
- (a) The nonrefundable application fee for a hotel license is \$500.
 - (b) The initial license fee for a hotel license is calculated as follows:
 - (i) \$5,000 if three sublicenses are being applied for under the hotel license; or
 - (ii) if more than three sublicenses are being applied for under the hotel license, the sum of:
 - (A) \$5,000; and
 - (B) \$2,000 for each sublicense in excess of three sublicenses for which the person is applying.
 - (c) The renewal fee for a hotel license is \$1,000 for each sublicense under the hotel license.
- (4)
- (a) The bond amount required for a hotel license is the penal sum of \$10,000.
 - (b) A hotel licensee is not required to have a separate bond for each sublicense, except that the aggregate of the bonds posted by the hotel licensee shall cover each sublicense under the hotel license.
- (5) The commission may not issue a hotel license that includes a building under the hotel license that does not meet the proximity requirements of Section 32B-1-202.

Enacted by Chapter 80, 2016 General Session

32B-8b-203 Qualifications for hotel license and sublicense.

For purposes of this chapter, the commission shall apply the requirements of Section 32B-1-304 to a hotel license and each sublicense under the hotel license.

Enacted by Chapter 80, 2016 General Session

32B-8b-204 Commission and department duties before issuing hotel license.

- (1) Before the issuance of a hotel license, the department shall comply with the requirements of Subsection 32B-5-203(1) in relation to the hotel license and each sublicense.

- (2) Before issuing a hotel license, in addition to considering the factors described in Section 32B-8b-202, the commission shall:
 - (a) consider the hotel license person's ability to manage and operate a hotel license and the ability of any individual who will act in a supervisory or managerial capacity for a sublicense, including:
 - (i) past management experience;
 - (ii) past alcoholic product license experience; and
 - (iii) the type of management scheme to be used by the hotel license person;
 - (b) consider the nature or type of:
 - (i) the person's business operation of the hotel license; and
 - (ii) the business operation of each sublicense; and
 - (c) subject to Subsection (3), determine that each sublicense meets the requirements imposed under the provisions applicable to each sublicense.
- (3)
 - (a) Subject to Subsection (3)(b), notwithstanding the requirements to obtain a retail license under the provisions applicable to a sublicense, a sublicense of a hotel license is not subject to:
 - (i) a requirement to submit an application or renewal application that is separate from the hotel license application;
 - (ii) a requirement to carry public liability insurance or dramshop insurance coverage that is separate from that carried by the hotel licensee; or
 - (iii) a requirement to post a bond that is separate from the bond posted by the hotel licensee.
 - (b) If a hotel licensee seeks to add a sublicense after its hotel license is issued, the hotel licensee shall file with the department:
 - (i) a nonrefundable \$300 application fee;
 - (ii) an initial license fee of \$2,250, which is refundable if the sublicense is not issued;
 - (iii) written consent of the local authority;
 - (iv) a copy of:
 - (A) the hotel licensee's current business license; and
 - (B) the current business license for the sublicense, if the business licensee is separate from the hotel licensee's business license;
 - (v) evidence that the sublicense premises is entirely within the boundary of the hotel;
 - (vi) a description, floor plan, and boundary map of the sublicense premises designating:
 - (A) any location at which the person proposes that an alcoholic product be stored; and
 - (B) any designated location on the sublicense premises from which the person proposes that an alcoholic product be sold, furnished, or consumed;
 - (vii) evidence that the person carries public liability insurance in an amount and form satisfactory to the department;
 - (viii) evidence that the person carries dramshop insurance coverage in the amount required by Section 32B-8b-202 that covers the sublicense to be added;
 - (ix) a signed consent form stating that the hotel licensee will permit any authorized representative of the commission or department, or any law enforcement officer, to have unrestricted right to enter the sublicense premises;
 - (x) if the hotel licensee is an entity, proper verification evidencing that a person who signs the application is authorized to sign on behalf of the entity; and
 - (xi) any other information the commission or department may require.

Enacted by Chapter 80, 2016 General Session

