

Representative Stephen E. Sandstrom proposes the following substitute bill:

ALCOHOLIC BEVERAGE LICENSEES AND

GAMBLING-LIKE ACTIVITIES

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen E. Sandstrom

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies the Alcoholic Beverage Control Act to address gambling-like activities.

Highlighted Provisions:

This bill:

- ▶ prohibits certain gambling-like activities;
- ▶ provides for exceptions; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

32A-4-106, as last amended by Chapter 268, Laws of Utah 2004

32A-4-206, as last amended by Chapter 268, Laws of Utah 2004

32A-4-307, as last amended by Chapter 268, Laws of Utah 2004



- 26 **32A-4-406**, as last amended by Chapter 152, Laws of Utah 2005
 - 27 **32A-5-107**, as last amended by Chapter 268, Laws of Utah 2004
 - 28 **32A-7-106**, as last amended by Chapter 268, Laws of Utah 2004
 - 29 **32A-10-206**, as last amended by Chapter 268, Laws of Utah 2004
 - 30 **32A-10-306**, as last amended by Chapter 268, Laws of Utah 2004
 - 31 **32A-15a-102**, as enacted by Chapter 314, Laws of Utah 2003
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33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **32A-4-106** is amended to read:

35 **32A-4-106. Operational restrictions.**

36 Each person granted a restaurant liquor license and the employees and management
37 personnel of the restaurant shall comply with the following conditions and requirements.
38 Failure to comply may result in a suspension or revocation of the license or other disciplinary
39 action taken against individual employees or management personnel.

40 (1) (a) Liquor may not be purchased by a restaurant liquor licensee except from state
41 stores or package agencies.

42 (b) Liquor purchased may be transported by the restaurant liquor licensee from the
43 place of purchase to the licensed premises.

44 (c) Payment for liquor shall be made in accordance with rules established by the
45 commission.

46 (2) A restaurant liquor licensee may sell or provide a primary spirituous liquor only in
47 a quantity not to exceed one ounce per beverage dispensed through a calibrated metered
48 dispensing system approved by the department in accordance with commission rules adopted
49 under this title, except that:

50 (a) spirituous liquor need not be dispensed through a calibrated metered dispensing
51 system if used as a secondary flavoring ingredient in a beverage subject to the following
52 restrictions:

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

55 (ii) the secondary ingredient is not the only spirituous liquor in the beverage;

56 (iii) the restaurant liquor licensee shall designate a location where flavorings are stored

57 on the floor plan provided to the department; and

58 (iv) all flavoring containers shall be plainly and conspicuously labeled "flavorings";

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

61 (i) as a flavoring on desserts; and

62 (ii) in the preparation of flaming food dishes, drinks, and desserts;

63 (c) each restaurant patron may have no more than 2.75 ounces of spirituous liquor at a
64 time; and

65 (d) each restaurant patron may have no more than one spirituous liquor drink at a time
66 before the patron.

67 (3) (a) (i) Wine may be sold and served by the glass or in an individual portion not to
68 exceed five ounces per glass or individual portion.

69 (ii) An individual portion of wine may be served to a patron in more than one glass as
70 long as the total amount of wine does not exceed five ounces.

71 (iii) An individual portion of wine is considered to be one alcoholic beverage under
72 Subsection (7)(e).

73 (b) (i) Wine may be sold and served in containers not exceeding 1.5 liters at prices
74 fixed by the commission to tables of four or more persons.

75 (ii) Wine may be sold and served in containers not exceeding 750 ml at prices fixed by
76 the commission to tables of less than four persons.

77 (c) A wine service may be performed and a service charge assessed by the restaurant as
78 authorized by commission rule for wine purchased at the restaurant.

79 (4) (a) Heavy beer may be served in original containers not exceeding one liter at prices
80 fixed by the commission.

81 (b) A service charge may be assessed by the restaurant as authorized by commission
82 rule for heavy beer purchased at the restaurant.

83 (5) (a) (i) Subject to Subsection (5)(a)(ii), a restaurant licensed to sell liquor may sell
84 beer for on-premise consumption:

85 (A) in an open container; and

86 (B) on draft.

87 (ii) Beer sold pursuant to Subsection (5)(a)(i) shall be in a size of container that does

88 not exceed two liters, except that beer may not be sold to an individual patron in a size of
89 container that exceeds one liter.

90 (b) A restaurant licensed under this chapter that sells beer pursuant to Subsection
91 (5)(a):

92 (i) may do so without obtaining a separate on-premise beer retailer license from the
93 commission; and

94 (ii) shall comply with all appropriate operational restrictions under Chapter 10, Beer
95 Retailer Licenses, that apply to on-premise beer retailers except when those restrictions are
96 inconsistent with or less restrictive than the operational restrictions under this part.

97 (c) Failure to comply with the operational restrictions under Chapter 10, Beer Retailer
98 Licenses, required by Subsection (5)(b) may result in a suspension or revocation of the
99 restaurant's:

100 (i) state liquor license; and

101 (ii) alcoholic beverage license issued by the local authority.

102 (6) Alcoholic beverages may not be stored, served, or sold in any place other than as
103 designated in the licensee's application, unless the licensee first applies for and receives
104 approval from the department for a change of location within the restaurant.

105 (7) (a) (i) A patron may only make alcoholic beverage purchases in the restaurant from
106 and be served by a person employed, designated, and trained by the licensee to sell and serve
107 alcoholic beverages.

108 (ii) Notwithstanding Subsection (7)(a)(i), a patron who has purchased bottled wine
109 from an employee of the restaurant or has carried bottled wine onto the premises of the
110 restaurant pursuant to Subsection (14) may thereafter serve wine from the bottle to the patron
111 or others at the patron's table.

112 (b) Alcoholic beverages shall be delivered by a server to the patron.

113 (c) Any alcoholic beverage may only be consumed at the patron's table or counter.

114 (d) Alcoholic beverages may not be served to or consumed by a patron at a bar.

115 (e) Each restaurant patron may have no more than two alcoholic beverages of any kind
116 at a time before the patron, subject to the limitation in Subsection (2)(d).

117 (8) The liquor storage area shall remain locked at all times other than those hours and
118 days when liquor sales are authorized by law.

- 119 (9) (a) Liquor may not be sold, offered for sale, served, or otherwise furnished at a
120 restaurant during the following days or hours:
- 121 (i) until after the polls are closed on the day of any:
- 122 (A) regular general election;
- 123 (B) regular primary election; or
- 124 (C) statewide special election;
- 125 (ii) until after the polls are closed on the day of any municipal, special district, or
126 school election, but only:
- 127 (A) within the boundaries of the municipality, special district, or school district; and
- 128 (B) if required by local ordinance; and
- 129 (iii) on any other day after 12 midnight and before 12 noon.
- 130 (b) The hours of beer sales and service are those specified in Chapter 10, Beer Retailer
131 Licenses, for on-premise beer licensees.
- 132 (10) Alcoholic beverages may not be sold except in connection with an order for food
133 prepared, sold, and served at the restaurant.
- 134 (11) Alcoholic beverages may not be sold, served, or otherwise furnished to any:
- 135 (a) minor;
- 136 (b) person actually, apparently, or obviously intoxicated;
- 137 (c) known habitual drunkard; or
- 138 (d) known interdicted person.
- 139 (12) (a) (i) Liquor may be sold only at prices fixed by the commission.
- 140 (ii) Liquor may not be sold at discount prices on any date or at any time.
- 141 (b) An alcoholic beverage may not be sold at less than the cost of the alcoholic
142 beverage to the licensee.
- 143 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
144 over consumption or intoxication.
- 145 (d) An alcoholic beverage may not be sold at a special or reduced price for only certain
146 hours of the restaurant's business day such as a "happy hour."
- 147 (e) The sale or service of more than one alcoholic beverage for the price of a single
148 alcoholic beverage is prohibited.
- 149 (f) The sale or service of an indefinite or unlimited number of alcoholic beverages

150 during any set period for a fixed price is prohibited.

151 (g) A restaurant licensee may not engage in a public promotion involving or offering
152 free alcoholic beverages to the general public.

153 (13) Alcoholic beverages may not be purchased for a patron of a restaurant by:

154 (a) the licensee; or

155 (b) any employee or agent of the licensee.

156 (14) (a) A person may not bring onto the premises of a restaurant liquor licensee any
157 alcoholic beverage for on-premise consumption, except a person may bring, subject to the
158 discretion of the licensee, bottled wine onto the premises of any restaurant liquor licensee for
159 on-premise consumption.

160 (b) Except bottled wine under Subsection (14)(a), a restaurant liquor licensee or its
161 officers, managers, employees, or agents may not allow:

162 (i) a person to bring onto the restaurant premises any alcoholic beverage for on-premise
163 consumption; or

164 (ii) consumption of any such alcoholic beverage on its premises.

165 (c) If bottled wine is carried in by a patron, the patron shall deliver the wine to a server
166 or other representative of the licensee upon entering the restaurant.

167 (d) A wine service may be performed and a service charge assessed by the restaurant as
168 authorized by commission rule for wine carried in by a patron.

169 (15) (a) Except as provided in Subsection (15)(b), a restaurant licensee and its
170 employees may not permit a restaurant patron to carry from the restaurant premises an open
171 container that:

172 (i) is used primarily for drinking purposes; and

173 (ii) contains any alcoholic beverage.

174 (b) Notwithstanding Subsection (15)(a), a restaurant patron may remove from the
175 restaurant the unconsumed contents of a bottle of wine purchased in the restaurant, or brought
176 onto the premises of the restaurant in accordance with Subsection (14), provided the bottle has
177 been recorked or recapped before removal.

178 (16) (a) A minor may not be employed by a restaurant licensee to sell or dispense
179 alcoholic beverages.

180 (b) Notwithstanding Subsection (16)(a), a minor may be employed to enter the sale at a

181 cash register or other sales recording device.

182 (17) An employee of a restaurant liquor licensee, while on duty, may not:

183 (a) consume an alcoholic beverage; or

184 (b) be intoxicated.

185 (18) Any charge or fee made in connection with the sale, service, or consumption of
186 liquor may be stated in food or alcoholic beverage menus including:

187 (a) a set-up charge;

188 (b) a service charge; or

189 (c) a chilling fee.

190 (19) Each restaurant liquor licensee shall display in a prominent place in the restaurant:

191 (a) the liquor license that is issued by the department;

192 (b) a list of the types and brand names of liquor being served through its calibrated
193 metered dispensing system; and

194 (c) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
195 drugs is a serious crime that is prosecuted aggressively in Utah."

196 (20) The following acts or conduct in a restaurant licensed under this chapter are
197 considered contrary to the public welfare and morals, and are prohibited upon the premises:

198 (a) employing or using any person in the sale or service of alcoholic beverages while
199 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
200 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
201 buttocks, vulva, or genitals;

202 (b) employing or using the services of any person to mingle with the patrons while the
203 person is unclothed or in attire, costume, or clothing described in Subsection (20)(a);

204 (c) encouraging or permitting any person to touch, caress, or fondle the breasts,
205 buttocks, anus, or genitals of any other person;

206 (d) permitting any employee or person to wear or use any device or covering, exposed
207 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;

208 (e) permitting any person to use artificial devices or inanimate objects to depict any of
209 the prohibited activities described in this Subsection (20);

210 (f) permitting any person to remain in or upon the premises who exposes to public
211 view any portion of that person's genitals or anus; or

212 (g) showing films, still pictures, electronic reproductions, or other visual reproductions
 213 depicting:

214 (i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
 215 copulation, flagellation, or any sexual acts prohibited by Utah law;

216 (ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or
 217 genitals;

218 (iii) scenes wherein artificial devices or inanimate objects are used to depict, or
 219 drawings are used to portray, any of the prohibited activities described in this Subsection (20);

220 or

221 (iv) scenes wherein a person displays the vulva or the anus or the genitals.

222 (21) Nothing in Subsection (20) precludes a local authority from being more restrictive
 223 of acts or conduct of the type prohibited in Subsection (20).

224 (22) (a) Although live entertainment is permitted on the premises of a restaurant liquor
 225 licensee, a licensee may not allow any person to perform or simulate sexual acts prohibited by
 226 Utah law, including sexual intercourse, masturbation, sodomy, bestiality, oral copulation,
 227 flagellation, the touching, caressing, or fondling of the breast, buttocks, anus, or genitals, or the
 228 displaying of the pubic hair, anus, vulva, or genitals. Entertainers shall perform only upon a
 229 stage or at a designated area approved by the commission.

230 (b) Nothing in Subsection (22)(a) precludes a local authority from being more
 231 restrictive of acts or conduct of the type prohibited in Subsection (22)(a).

232 (23) A restaurant liquor licensee may not on the premises of the restaurant liquor
 233 licensee:

234 (a) engage in or permit any form of gambling, [~~or~~] as defined and proscribed in Title
 235 76, Chapter 10, Part 11, Gambling:

236 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
 237 Part 11, Gambling[~~;- on the premises of the restaurant liquor licensee.]; or~~

238 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
 239 ↪ [or simulates] ↩ the risking of something of value for a return or for an outcome when the
 239a return or

240 outcome is based upon an element of chance, excluding the playing of an amusement device
 241 that confers only an immediate and unrecorded right of replay not exchangeable for value.

242 (24) (a) Each restaurant liquor licensee shall maintain an expense ledger or record

243 showing in detail:

244 (i) quarterly expenditures made separately for:

245 (A) malt or brewed beverages;

246 (B) set-ups;

247 (C) liquor;

248 (D) food; and

249 (E) all other items required by the department; and

250 (ii) sales made separately for:

251 (A) malt or brewed beverages;

252 (B) set-ups;

253 (C) food; and

254 (D) all other items required by the department.

255 (b) The record required by Subsection (24)(a) shall be kept:

256 (i) in a form approved by the department; and

257 (ii) current for each three-month period.

258 (c) Each expenditure shall be supported by:

259 (i) delivery tickets;

260 (ii) invoices;

261 (iii) receipted bills;

262 (iv) canceled checks;

263 (v) petty cash vouchers; or

264 (vi) other sustaining data or memoranda.

265 (d) In addition to a ledger or record required under Subsection (24)(a), a restaurant

266 liquor licensee shall maintain accounting and other records and documents as the department

267 may require.

268 (e) Any restaurant or person acting for the restaurant, who knowingly forges, falsifies,

269 alters, cancels, destroys, conceals, or removes the entries in any of the books of account or

270 other documents of the restaurant required to be made, maintained, or preserved by this title or

271 the rules of the commission for the purpose of deceiving the commission or the department, or

272 any of their officials or employees, is subject to:

273 (i) the suspension or revocation of the restaurant's liquor license; and

274 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.
275 (25) (a) A restaurant liquor licensee may not close or cease operation for a period
276 longer than 240 hours, unless:
277 (i) the restaurant liquor licensee notifies the department in writing at least seven days
278 before the closing; and
279 (ii) the closure or cessation of operation is first approved by the department.
280 (b) Notwithstanding Subsection (25)(a), in the case of emergency closure, immediate
281 notice of closure shall be made to the department by telephone.
282 (c) The department may authorize a closure or cessation of operation for a period not to
283 exceed 60 days. The department may extend the initial period an additional 30 days upon
284 written request of the restaurant licensee and upon a showing of good cause. A closure or
285 cessation of operation may not exceed a total of 90 days without commission approval.
286 (d) Any notice shall include:
287 (i) the dates of closure or cessation of operation;
288 (ii) the reason for the closure or cessation of operation; and
289 (iii) the date on which the licensee will reopen or resume operation.
290 (e) Failure of the licensee to provide notice and to obtain department authorization
291 prior to closure or cessation of operation shall result in an automatic forfeiture of:
292 (i) the license; and
293 (ii) the unused portion of the license fee for the remainder of the license year effective
294 immediately.
295 (f) Failure of the licensee to reopen or resume operation by the approved date shall
296 result in an automatic forfeiture of:
297 (i) the license; and
298 (ii) the unused portion of the license fee for the remainder of the license year.
299 (26) Each restaurant liquor licensee shall maintain at least 70% of its total restaurant
300 business from the sale of food, which does not include mix for alcoholic beverages or service
301 charges.
302 (27) A restaurant liquor license may not be transferred from one location to another,
303 without prior written approval of the commission.
304 (28) (a) A person, having been granted a restaurant liquor license may not sell, transfer,

305 assign, exchange, barter, give, or attempt in any way to dispose of the license to any other
306 person whether for monetary gain or not.

307 (b) A restaurant liquor license has no monetary value for the purpose of any type of
308 disposition.

309 (29) Each server of alcoholic beverages in a licensee's establishment shall keep a
310 written beverage tab for each table or group that orders or consumes alcoholic beverages on the
311 premises. The beverage tab shall list the type and amount of alcoholic beverages ordered or
312 consumed.

313 (30) A person's willingness to serve alcoholic beverages may not be made a condition
314 of employment as a server with a restaurant that has a restaurant liquor license.

315 Section 2. Section **32A-4-206** is amended to read:

316 **32A-4-206. Operational restrictions.**

317 Each person granted an airport lounge liquor license and the employees and
318 management personnel of the airport lounge shall comply with the following conditions and
319 requirements. Failure to comply may result in a suspension or revocation of the license or
320 other disciplinary action taken against individual employees or management personnel.

321 (1) (a) Liquor may not be purchased by an airport lounge liquor licensee except from
322 state stores or package agencies.

323 (b) Liquor purchased may be transported by the licensee from the place of purchase to
324 the licensed premises.

325 (c) Payment for liquor shall be made in accordance with the rules established by the
326 commission.

327 (2) An airport lounge liquor licensee may sell or provide a primary spirituous liquor
328 only in a quantity not to exceed one ounce per beverage dispensed through a calibrated metered
329 dispensing system approved by the department in accordance with commission rules adopted
330 under this title, except that:

331 (a) spirituous liquor need not be dispensed through a calibrated metered dispensing
332 system if used as a secondary flavoring ingredient in a beverage subject to the following
333 restrictions:

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

- 336 (ii) the secondary ingredient is not the only spirituous liquor in the beverage;
- 337 (iii) the airport lounge liquor licensee shall designate a location where flavorings are
- 338 stored on the floor plan provided to the department; and
- 339 (iv) all flavoring containers shall be plainly and conspicuously labeled "flavorings";
- 340 (b) spirituous liquor need not be dispensed through a calibrated metered dispensing
- 341 system if used:
- 342 (i) as a flavoring on desserts; and
- 343 (ii) in the preparation of flaming food dishes, drinks, and desserts; and
- 344 (c) each airport lounge patron may have no more than 2.75 ounces of spirituous liquor
- 345 at a time before the patron.
- 346 (3) (a) (i) Wine may be sold and served by the glass or an individual portion not to
- 347 exceed five ounces per glass or individual portion.
- 348 (ii) An individual portion may be served to a patron in more than one glass as long as
- 349 the total amount of wine does not exceed five ounces.
- 350 (iii) An individual portion of wine is considered to be one alcoholic beverage under
- 351 Subsection (7)(c).
- 352 (b) (i) Wine may be sold and served in containers not exceeding 1.5 liters at prices
- 353 fixed by the commission to tables of four or more persons.
- 354 (ii) Wine may be sold and served in containers not exceeding 750 ml at prices fixed by
- 355 the commission to tables of less than four persons.
- 356 (c) A wine service may be performed and a service charge assessed by the airport
- 357 lounge as authorized by commission rule for wine purchased at the airport lounge.
- 358 (4) (a) Heavy beer may be served in original containers not exceeding one liter at prices
- 359 fixed by the commission.
- 360 (b) A service charge may be assessed by the airport lounge as authorized by
- 361 commission rule for heavy beer purchased at the airport lounge.
- 362 (5) (a) (i) Subject to Subsection (5)(a)(ii), an airport lounge licensed to sell liquor may
- 363 sell beer for on-premise consumption:
- 364 (A) in an open container; and
- 365 (B) on draft.
- 366 (ii) Beer sold pursuant to Subsection (5)(a)(i) shall be in a size of container that does

367 not exceed two liters, except that beer may not be sold to an individual patron in a size of
368 container that exceeds one liter.

369 (b) An airport lounge that sells beer pursuant to Subsection (5)(a):

370 (i) may do so without obtaining a separate on-premise beer retailer license from the
371 commission; and

372 (ii) shall comply with all appropriate operational restrictions under Chapter 10, Beer
373 Retailer Licenses, that apply to on-premise beer retailers except when those restrictions are
374 inconsistent with or less restrictive than the operational restrictions under this part.

375 (c) Failure to comply with the operational restrictions under Chapter 10, Beer Retailer
376 Licenses, required by Subsection (5)(b) may result in a suspension or revocation of the airport
377 lounge's:

378 (i) state liquor license; and

379 (ii) alcoholic beverage license issued by the local authority.

380 (6) Alcoholic beverages may not be stored, served, or sold in any place other than as
381 designated in the licensee's application, unless the licensee first applies for and receives
382 approval from the department for a change of location within the airport lounge.

383 (7) (a) A patron may only make purchases in the airport lounge from and be served by
384 a person employed, designated, and trained by the licensee to sell, dispense, and serve alcoholic
385 beverages.

386 (b) Notwithstanding Subsection (7)(a), a patron who has purchased bottled wine from
387 an employee of the airport lounge may serve wine from the bottle to the patron or others at the
388 patron's table.

389 (c) Each airport lounge patron may have no more than two alcoholic beverages of any
390 kind at a time before the patron.

391 (8) The liquor storage area shall remain locked at all times other than those hours and
392 days when liquor sales and service are authorized by law.

393 (9) Alcoholic beverages may not be sold, offered for sale, served, or otherwise
394 furnished at an airport lounge on any day after 12 midnight and before 8 a.m.

395 (10) Alcoholic beverages may not be sold, served, or otherwise furnished to any:

396 (a) minor;

397 (b) person actually, apparently, or obviously intoxicated;

398 (c) known habitual drunkard; or

399 (d) known interdicted person.

400 (11) (a) (i) Liquor may be sold only at prices fixed by the commission.

401 (ii) Liquor may not be sold at discount prices on any date or at any time.

402 (b) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverage
403 to the licensee.

404 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
405 over consumption or intoxication.

406 (d) An alcoholic beverage may not be sold at a special or reduced price for only certain
407 hours of the airport lounge's business day such as a "happy hour."

408 (e) The sale or service of more than one alcoholic beverage for the price of a single
409 alcoholic beverage is prohibited.

410 (f) The sale or service of an indefinite or unlimited number of alcoholic beverages
411 during any set period for a fixed price is prohibited.

412 (g) An airport lounge licensee may not engage in a public promotion involving or
413 offering free alcoholic beverages to the general public.

414 (12) Alcoholic beverages may not be purchased for a patron of an airport lounge by:

415 (a) the licensee; or

416 (b) any employee or agent of the licensee.

417 (13) (a) A person may not bring onto the premises of an airport lounge licensee any
418 alcoholic beverage for on-premise consumption.

419 (b) An airport lounge or its officers, managers, employees, or agents may not allow a
420 person to bring onto the airport lounge premises any alcoholic beverage for on-premise
421 consumption or allow consumption of any such alcoholic beverage on its premises.

422 (14) An airport lounge licensee and its employees may not permit a patron to remove
423 any alcoholic beverages from the airport lounge premises.

424 (15) (a) A minor may not be employed by an airport lounge licensee to sell or dispense
425 alcoholic beverages.

426 (b) Notwithstanding Subsection (15)(a), a minor may be employed to enter the sale at a
427 cash register or other sales recording device.

428 (16) An employee of an airport lounge licensee, while on duty, may not:

429 (a) consume an alcoholic beverage; or

430 (b) be intoxicated.

431 (17) Any charge or fee made in connection with the sale, service, or consumption of
432 liquor may be stated in a food or alcoholic beverage menu including:

433 (a) a set-up charge;

434 (b) a service charge; or

435 (c) a chilling fee.

436 (18) Each airport lounge liquor licensee shall display in a prominent place in the airport
437 lounge:

438 (a) the liquor license that is issued by the department;

439 (b) a list of the types and brand names of liquor being served through its calibrated
440 metered dispensing system; and

441 (c) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
442 drugs is a serious crime that is prosecuted aggressively in Utah."

443 (19) (a) Each airport lounge liquor licensee shall maintain an expense ledger or record
444 showing in detail:

445 (i) quarterly expenditures made separately for malt or brewed beverages, liquor, and all
446 other items required by the department; and

447 (ii) sales made separately for malt or brewed beverages, food, and all other items
448 required by the department.

449 (b) This record shall be kept:

450 (i) in a form approved by the department; and

451 (ii) current for each three-month period.

452 (c) Each expenditure shall be supported by:

453 (i) delivery tickets;

454 (ii) invoices;

455 (iii) receipted bills;

456 (iv) canceled checks;

457 (v) petty cash vouchers; or

458 (vi) other sustaining data or memoranda.

459 (d) In addition to a ledger or record required by Subsection (19)(a), each airport lounge

460 liquor licensee shall maintain accounting and other records and documents as the department
461 may require.

462 (e) Any airport lounge or person acting for the airport lounge, who knowingly forges,
463 falsifies, alters, cancels, destroys, conceals, or removes the entries in any of the books of
464 account or other documents of the airport lounge required to be made, maintained, or preserved
465 by this title or the rules of the commission for the purpose of deceiving the commission or the
466 department, or any of their officials or employees, is subject to:

467 (i) the immediate suspension or revocation of the airport lounge's liquor license; and

468 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.

469 (20) An airport lounge liquor license may not be transferred from one location to
470 another, without prior written approval of the commission.

471 (21) (a) An airport lounge liquor licensee may not sell, transfer, assign, exchange,
472 barter, give, or attempt in any way to dispose of the license to any other person, whether for
473 monetary gain or not.

474 (b) An airport lounge liquor license has no monetary value for the purpose of any type
475 of disposition.

476 (22) Each server of alcoholic beverages in a licensee's establishment shall keep a
477 written beverage tab for each table or group that orders or consumes alcoholic beverages on the
478 premises. The beverage tab shall list the type and amount of alcoholic beverages ordered or
479 consumed.

480 (23) An airport lounge liquor licensee's premises may not be leased for private
481 functions.

482 (24) An airport lounge liquor licensee may not on the premises of the airport lounge
483 liquor licensee:

484 (a) engage in or permit any form of gambling, [~~or~~] as defined and proscribed in Title
485 76, Chapter 10, Part 11, Gambling;

486 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
487 Part 11, Gambling[~~, on the premises of the airport lounge liquor licensee.~~]; or

488 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
489 ↳ [or simulates] ← the risking of something of value for a return or for an outcome when the
489a return or

490 outcome is based upon an element of chance, excluding the playing of an amusement device

491 that confers only an immediate and unrecorded right of replay not exchangeable for value.

492 Section 3. Section **32A-4-307** is amended to read:

493 **32A-4-307. Operational restrictions.**

494 Each person granted a limited restaurant license and the employees and management
495 personnel of the restaurant shall comply with the following conditions and requirements.
496 Failure to comply may result in a suspension or revocation of the license or other disciplinary
497 action taken against individual employees or management personnel.

498 (1) (a) Wine and heavy beer may not be purchased by a limited restaurant licensee
499 except from state stores or package agencies.

500 (b) Wine and heavy beer purchased in accordance with Subsection (1)(a) may be
501 transported by the licensee from the place of purchase to the licensed premises.

502 (c) Payment for wine and heavy beer shall be made in accordance with rules
503 established by the commission.

504 (2) (a) A limited restaurant licensee may not sell, serve, or allow consumption of
505 spirituous liquor on the premises of the restaurant.

506 (b) Spirituous liquor may not be on the premises of the restaurant except for use:

507 (i) as a flavoring on desserts; and

508 (ii) in the preparation of flaming food dishes, drinks, and desserts.

509 (3) (a) (i) Wine may be sold and served by the glass or an individual portion not to
510 exceed five ounces per glass or individual portion.

511 (ii) An individual portion may be served to a patron in more than one glass as long as
512 the total amount of wine does not exceed five ounces.

513 (iii) An individual portion of wine is considered to be one alcoholic beverage under
514 Subsection (7)(e).

515 (b) (i) Wine may be sold and served in containers not exceeding 1.5 liters at prices
516 fixed by the commission to tables of four or more persons.

517 (ii) Wine may be sold and served in containers not exceeding 750 ml at prices fixed by
518 the commission to tables of less than four persons.

519 (c) A wine service may be performed and a service charge assessed by the limited
520 restaurant as authorized by commission rule for wine purchased at the limited restaurant.

521 (4) (a) Heavy beer may be served in original containers not exceeding one liter at prices

522 fixed by the commission.

523 (b) A service charge may be assessed by the limited restaurant as authorized by
524 commission rule for heavy beer purchased at the restaurant.

525 (5) (a) (i) Subject to Subsection (5)(a)(ii), a limited restaurant licensee may sell beer for
526 on-premise consumption:

527 (A) in an open container; and

528 (B) on draft.

529 (ii) Beer sold pursuant to Subsection (5)(a)(i) shall be in a size of container that does
530 not exceed two liters, except that beer may not be sold to an individual patron in a size of
531 container that exceeds one liter.

532 (b) A limited restaurant licensee that sells beer pursuant to Subsection (5)(a):

533 (i) may do so without obtaining a separate on-premise beer retailer license from the
534 commission; and

535 (ii) shall comply with all appropriate operational restrictions under Chapter 10, Beer
536 Retailer Licenses, that apply to on-premise beer retailers except when those restrictions are
537 inconsistent with or less restrictive than the operational restrictions under this part.

538 (c) Failure to comply with the operational restrictions under Chapter 10, Beer Retailer
539 Licenses, required by Subsection (5)(b) may result in a suspension or revocation of the
540 restaurant's:

541 (i) limited restaurant license; and

542 (ii) alcoholic beverage license issued by the local authority.

543 (6) Wine, heavy beer, and beer may not be stored, served, or sold in any place other
544 than as designated in the licensee's application, unless the licensee first applies for and receives
545 approval from the department for a change of location within the restaurant.

546 (7) (a) (i) A patron may only make alcoholic beverage purchases in the limited
547 restaurant from and be served by a person employed, designated, and trained by the licensee to
548 sell and serve alcoholic beverages.

549 (ii) Notwithstanding Subsection (7)(a)(i), a patron who has purchased bottled wine
550 from an employee of the restaurant or has carried bottled wine onto the premises of the
551 restaurant pursuant to Subsection (14) may thereafter serve wine from the bottle to the patron
552 or others at the patron's table.

- 553 (b) Alcoholic beverages shall be delivered by a server to the patron.
554 (c) Any alcoholic beverage may only be consumed at the patron's table or counter.
555 (d) Alcoholic beverages may not be served to or consumed by a patron at a bar.
556 (e) Each restaurant patron may have no more than two alcoholic beverages of any kind
557 at a time before the patron.
558 (8) The alcoholic beverage storage area shall remain locked at all times other than
559 those hours and days when alcoholic beverage sales are authorized by law.
560 (9) (a) Wine and heavy beer may not be sold, offered for sale, served, or otherwise
561 furnished at a limited restaurant during the following days or hours:
562 (i) until after the polls are closed on the day of any:
563 (A) regular general election;
564 (B) regular primary election; or
565 (C) statewide special election;
566 (ii) until after the polls are closed on the day of any municipal, special district, or
567 school election, but only:
568 (A) within the boundaries of the municipality, special district, or school district; and
569 (B) if required by local ordinance; and
570 (iii) on any other day after 12 midnight and before 12 noon.
571 (b) The hours of beer sales and service are those specified in Chapter 10, Beer Retailer
572 Licenses, for on-premise beer licensees.
573 (10) Alcoholic beverages may not be sold except in connection with an order of food
574 prepared, sold, and served at the restaurant.
575 (11) Wine, heavy beer, and beer may not be sold, served, or otherwise furnished to any:
576 (a) minor;
577 (b) person actually, apparently, or obviously intoxicated;
578 (c) known habitual drunkard; or
579 (d) known interdicted person.
580 (12) (a) (i) Wine and heavy beer may be sold only at prices fixed by the commission.
581 (ii) Wine and heavy beer may not be sold at discount prices on any date or at any time.
582 (b) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverages
583 to the licensee.

584 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
585 over consumption or intoxication.

586 (d) An alcoholic beverage may not be sold at a special or reduced price for only certain
587 hours of the limited restaurant's business day such as a "happy hour."

588 (e) The sale or service of more than one alcoholic beverage for the price of a single
589 alcoholic beverage is prohibited.

590 (f) The sale or service of an indefinite or unlimited number of alcoholic beverages
591 during any set period for a fixed price is prohibited.

592 (g) A limited restaurant licensee may not engage in a public promotion involving or
593 offering free alcoholic beverages to the general public.

594 (13) Alcoholic beverages may not be purchased for a patron of the restaurant by:

595 (a) the licensee; or

596 (b) any employee or agent of the licensee.

597 (14) (a) A person may not bring onto the premises of a limited restaurant licensee any
598 alcoholic beverage for on-premise consumption, except a person may bring, subject to the
599 discretion of the licensee, bottled wine onto the premises of any limited restaurant licensee for
600 on-premise consumption.

601 (b) Except bottled wine under Subsection (14)(a), a limited restaurant licensee or its
602 officers, managers, employees, or agents may not allow:

603 (i) a person to bring onto the restaurant premises any alcoholic beverage for on-premise
604 consumption; or

605 (ii) consumption of any alcoholic beverage described in Subsection (14)(b)(i) on its
606 premises.

607 (c) If bottled wine is carried in by a patron, the patron shall deliver the wine to a server
608 or other representative of the licensee upon entering the restaurant.

609 (d) A wine service may be performed and a service charge assessed by the restaurant as
610 authorized by commission rule for wine carried in by a patron.

611 (15) (a) Except as provided in Subsection (15)(b), a limited restaurant licensee and its
612 employees may not permit a restaurant patron to carry from the restaurant premises an open
613 container that:

614 (i) is used primarily for drinking purposes; and

615 (ii) contains any alcoholic beverage.

616 (b) Notwithstanding Subsection (15)(a), a patron may remove the unconsumed
617 contents of a bottle of wine if before removal the bottle has been recorked or recapped.

618 (16) (a) A minor may not be employed by a limited restaurant licensee to sell or
619 dispense alcoholic beverages.

620 (b) Notwithstanding Subsection (16)(a), a minor may be employed to enter the sale at a
621 cash register or other sales recording device.

622 (17) An employee of a limited restaurant licensee, while on duty, may not:

623 (a) consume an alcoholic beverage; or

624 (b) be intoxicated.

625 (18) A charge or fee made in connection with the sale, service, or consumption of wine
626 or heavy beer may be stated in food or alcoholic beverage menus including:

627 (a) a service charge; or

628 (b) a chilling fee.

629 (19) Each limited restaurant licensee shall display in a prominent place in the
630 restaurant:

631 (a) the license that is issued by the department; and

632 (b) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
633 drugs is a serious crime that is prosecuted aggressively in Utah."

634 (20) The following acts or conduct in a restaurant licensed under this part are
635 considered contrary to the public welfare and morals, and are prohibited upon the premises:

636 (a) employing or using any person in the sale or service of alcoholic beverages while
637 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
638 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
639 buttocks, vulva, or genitals;

640 (b) employing or using the services of any person to mingle with the patrons while the
641 person is unclothed or in attire, costume, or clothing described in Subsection (20)(a);

642 (c) encouraging or permitting any person to touch, caress, or fondle the breasts,
643 buttocks, anus, or genitals of any other person;

644 (d) permitting any employee or person to wear or use any device or covering, exposed
645 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;

646 (e) permitting any person to use artificial devices or inanimate objects to depict any of
 647 the prohibited activities described in this Subsection (20);

648 (f) permitting any person to remain in or upon the premises who exposes to public
 649 view any portion of that person's genitals or anus; or

650 (g) showing films, still pictures, electronic reproductions, or other visual reproductions
 651 depicting:

652 (i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
 653 copulation, flagellation, or any sexual acts prohibited by Utah law;

654 (ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or
 655 genitals;

656 (iii) scenes wherein artificial devices or inanimate objects are used to depict, or
 657 drawings are used to portray, any of the prohibited activities described in this Subsection (20);
 658 or

659 (iv) scenes wherein a person displays the vulva, anus, or the genitals.

660 (21) Nothing in Subsection (20) precludes a local authority from being more restrictive
 661 of acts or conduct of the type prohibited in Subsection (20).

662 (22) (a) Although live entertainment is permitted on the premises of a limited
 663 restaurant licensee, a licensee may not allow any person to perform or simulate sexual acts
 664 prohibited by Utah law, including sexual intercourse, masturbation, sodomy, bestiality, oral
 665 copulation, flagellation, the touching, caressing, or fondling of the breast, buttocks, anus, or
 666 genitals, or the displaying of the pubic hair, anus, vulva, or genitals. Entertainers shall perform
 667 only upon a stage or at a designated area approved by the commission.

668 (b) Nothing in Subsection (22)(a) precludes a local authority from being more
 669 restrictive of acts or conduct of the type prohibited in Subsection (22)(a).

670 (23) A limited restaurant licensee may not on the premises of the restaurant:

671 (a) engage in or permit any form of gambling, [~~or~~] as defined and proscribed in Title
 672 76, Chapter 10, Part 11, Gambling;

673 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
 674 Part 11, Gambling[~~;-on the premises of the restaurant.]; or~~

675 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
 676 H→ [or simulates] ←H the risking of something of value for a return or for an outcome when the
 676a return or

677 outcome is based upon an element of chance, excluding the playing of an amusement device
678 that confers only an immediate and unrecorded right of replay not exchangeable for value.

679 (24) (a) Each limited restaurant licensee shall maintain an expense ledger or record
680 showing in detail:

681 (i) quarterly expenditures made separately for:

682 (A) wine;

683 (B) heavy beer;

684 (C) beer;

685 (D) food; and

686 (E) all other items required by the department; and

687 (ii) sales made separately for:

688 (A) wine;

689 (B) heavy beer;

690 (C) beer;

691 (D) food; and

692 (E) all other items required by the department.

693 (b) The record required by Subsection (24)(a) shall be kept:

694 (i) in a form approved by the department; and

695 (ii) current for each three-month period.

696 (c) Each expenditure shall be supported by:

697 (i) delivery tickets;

698 (ii) invoices;

699 (iii) receipted bills;

700 (iv) canceled checks;

701 (v) petty cash vouchers; or

702 (vi) other sustaining data or memoranda.

703 (d) In addition to the ledger or record maintained under Subsections (24)(a) through
704 (c), a limited restaurant licensee shall maintain accounting and other records and documents as
705 the department may require.

706 (e) Any restaurant or person acting for the restaurant, who knowingly forges, falsifies,
707 alters, cancels, destroys, conceals, or removes the entries in any of the books of account or

708 other documents of the restaurant required to be made, maintained, or preserved by this title or
709 the rules of the commission for the purpose of deceiving the commission or department, or any
710 of their officials or employees, is subject to:

- 711 (i) the suspension or revocation of the limited restaurant's license; and
- 712 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.

713 (25) (a) A limited restaurant licensee may not close or cease operation for a period
714 longer than 240 hours, unless:

- 715 (i) the limited restaurant licensee notifies the department in writing at least seven days
716 before the closing; and
- 717 (ii) the closure or cessation of operation is first approved by the department.

718 (b) Notwithstanding Subsection (25)(a), in the case of emergency closure, immediate
719 notice of closure shall be made to the department by telephone.

720 (c) (i) Subject to Subsection (25)(c)(iii), the department may authorize a closure or
721 cessation of operation for a period not to exceed 60 days.

722 (ii) The department may extend the initial period an additional 30 days upon:

723 (A) written request of the limited restaurant licensee; and

724 (B) a showing of good cause.

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

727 (d) Any notice required by Subsection (25)(a) shall include:

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

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

730 (iii) the date on which the licensee will reopen or resume operation.

731 (e) Failure of the licensee to provide notice and to obtain department authorization
732 before closure or cessation of operation shall result in an automatic forfeiture of:

733 (i) the license; and

734 (ii) the unused portion of the license fee for the remainder of the license year effective
735 immediately.

736 (f) Failure of the licensee to reopen or resume operation by the approved date shall
737 result in an automatic forfeiture of:

738 (i) the license; and

739 (ii) the unused portion of the license fee for the remainder of the license year.

740 (26) Each limited restaurant licensee shall maintain at least 70% of its total restaurant
741 business from the sale of food, which does not include service charges.

742 (27) A limited restaurant license may not be transferred from one location to another,
743 without prior written approval of the commission.

744 (28) (a) A limited restaurant licensee may not sell, transfer, assign, exchange, barter,
745 give, or attempt in any way to dispose of the license to any other person whether for monetary
746 gain or not.

747 (b) A limited restaurant license has no monetary value for the purpose of any type of
748 disposition.

749 (29) (a) Each server of wine, heavy beer, and beer in a limited restaurant licensee's
750 establishment shall keep a written beverage tab for each table or group that orders or consumes
751 alcoholic beverages on the premises.

752 (b) The beverage tab required by Subsection (29)(a) shall list the type and amount of
753 alcoholic beverages ordered or consumed.

754 (30) A limited restaurant licensee may not make a person's willingness to serve
755 alcoholic beverages a condition of employment as a server with the restaurant.

756 Section 4. Section **32A-4-406** is amended to read:

757 **32A-4-406. Operational restrictions.**

758 Each person granted an on-premise banquet license and the employees and management
759 personnel of the on-premise banquet licensee shall comply with this title, the rules of the
760 commission, and the following conditions and requirements. Failure to comply may result in a
761 suspension or revocation of the license or other disciplinary action taken against individual
762 employees or management personnel.

763 (1) A person involved in the sale or service of alcoholic beverages under the
764 on-premise banquet license shall:

765 (a) be under the supervision and direction of the on-premise banquet licensee; and

766 (b) complete the seminar provided for in Section 62A-15-401.

767 (2) (a) Liquor may not be purchased by the on-premise banquet licensee except from
768 state stores or package agencies.

769 (b) Liquor purchased in accordance with Subsection (2)(a) may be transported by the

770 on-premise banquet licensee from the place of purchase to the licensed premises.

771 (c) Payment for liquor shall be made in accordance with rules established by the
772 commission.

773 (3) Alcoholic beverages may be sold or provided at a banquet subject to the restrictions
774 set forth in this Subsection (3).

775 (a) An on-premise banquet licensee may sell or provide any primary spirituous liquor
776 only in a quantity not to exceed one ounce per beverage dispensed through a calibrated metered
777 dispensing system approved by the department in accordance with commission rules adopted
778 under this title, except that:

779 (i) spirituous liquor need not be dispensed through a calibrated metered dispensing
780 system if used as a secondary flavoring ingredient in a beverage subject to the following
781 restrictions:

782 (A) the secondary ingredient may be dispensed only in conjunction with the purchase
783 of a primary spirituous liquor;

784 (B) the secondary ingredient may not be the only spirituous liquor in the beverage;

785 (C) the on-premise banquet licensee shall designate a location where flavorings are
786 stored on the floor plan provided to the department; and

787 (D) all flavoring containers shall be plainly and conspicuously labeled "flavorings";

788 (ii) spirituous liquor need not be dispensed through a calibrated metered dispensing
789 system if used:

790 (A) as a flavoring on desserts; and

791 (B) in the preparation of flaming food dishes, drinks, and desserts;

792 (iii) each attendee may have no more than 2.75 ounces of spirituous liquor at a time
793 before the attendee; and

794 (iv) each attendee may have no more than one spirituous liquor drink at a time before
795 the attendee.

796 (b) (i) (A) Wine may be sold and served by the glass or an individual portion not to
797 exceed five ounces per glass or individual portion.

798 (B) An individual portion may be served to an attendee in more than one glass as long
799 as the total amount of wine does not exceed five ounces.

800 (C) An individual portion of wine is considered to be one alcoholic beverage under

801 Subsection (5)(c).

802 (ii) Wine may be sold and served in containers not exceeding 1.5 liters at prices fixed
803 by the commission.

804 (iii) A wine service may be performed and a service charge assessed by the on-premise
805 banquet licensee as authorized by commission rule for wine purchased on the banquet
806 premises.

807 (c) (i) Heavy beer may be served in original containers not exceeding one liter at prices
808 fixed by the commission.

809 (ii) A service charge may be assessed by the on-premise banquet licensee as authorized
810 by commission rule for heavy beer purchased on the banquet premises.

811 (d) (i) Except as provided in Subsection (3)(d)(ii), beer may be sold and served for
812 on-premise consumption:

813 (A) in an open container; and

814 (B) on draft.

815 (ii) Beer sold pursuant to Subsection (3)(d)(i) shall be in a size of container that does
816 not exceed two liters, except that beer may not be sold to an individual attendee in a container
817 size that exceeds one liter.

818 (4) Alcoholic beverages may not be stored, served, or sold in any place other than as
819 designated in the on-premise banquet licensee's application, except that additional locations in
820 or on the premises of an on-premise banquet licensee may be approved in accordance with
821 guidelines approved by the commission as provided in Subsection 32A-4-402(2).

822 (5) (a) An attendee may only make alcoholic beverage purchases from and be served by
823 a person employed, designated, and trained by the on-premise banquet licensee to sell and
824 serve alcoholic beverages.

825 (b) Notwithstanding Subsection (5)(a), an attendee who has purchased bottled wine
826 from an employee of the on-premise banquet licensee may thereafter serve wine from the bottle
827 to the attendee or others at the attendee's table.

828 (c) Each attendee may have no more than two alcoholic beverages of any kind at a time
829 before the attendee.

830 (6) The alcoholic beverage storage area shall remain locked at all times other than
831 those hours and days when alcoholic beverage sales are authorized by law.

832 (7) (a) Except as provided in Subsection (7)(b), alcoholic beverages may be offered for
833 sale, sold, served, or otherwise furnished from 10 a.m. to 1 a.m. seven days a week:

- 834 (i) at a banquet; or
- 835 (ii) in connection with room service.

836 (b) Notwithstanding Subsection (7)(a), a sale or service of alcoholic beverages may not
837 occur at a banquet or in connection with room service until after the polls are closed on the day
838 of:

- 839 (i) a regular general election;
- 840 (ii) a regular primary election; or
- 841 (iii) a statewide special election.

842 (8) Alcoholic beverages may not be sold, served, or otherwise furnished to any:

- 843 (a) minor;
- 844 (b) person actually, apparently, or obviously intoxicated;
- 845 (c) known habitual drunkard; or
- 846 (d) known interdicted person.

847 (9) (a) (i) Liquor may be sold only at prices fixed by the commission.

848 (ii) Liquor may not be sold at discount prices on any date or at any time.

849 (b) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverage
850 to the licensee.

851 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
852 over consumption or intoxication.

853 (d) An alcoholic beverage may not be sold at a special or reduced price for only certain
854 hours of the on-premise banquet licensee's business day such as a "happy hour."

855 (e) The sale or service of more than one alcoholic beverage for the price of a single
856 alcoholic beverage is prohibited.

857 (f) An on-premise banquet licensee may not engage in a public promotion involving or
858 offering free alcoholic beverages to the general public.

859 (10) Alcoholic beverages may not be purchased for an attendee by:

- 860 (a) the on-premise banquet licensee; or
- 861 (b) any employee or agent of the on-premise banquet licensee.

862 (11) An attendee of a banquet may not bring any alcoholic beverage into or onto, or

863 remove any alcoholic beverage from the premises of a banquet.

864 (12) (a) Except as otherwise provided in this title, the sale and service of alcoholic
865 beverages by an on-premise banquet licensee at a banquet shall be made only for consumption
866 at the location of the banquet.

867 (b) The host of a banquet, an attendee, or any other person other than the on-premise
868 banquet licensee or its employees, may not remove any alcoholic beverage from the premises
869 of the banquet.

870 (13) An on-premise banquet licensee employee shall remain at the banquet at all times
871 when alcoholic beverages are being sold, served, or consumed at the banquet.

872 (14) (a) An on-premise banquet licensee may not leave any unsold alcoholic beverages
873 at the banquet following the conclusion of the banquet.

874 (b) At the conclusion of a banquet, the on-premise banquet licensee or its employees,
875 shall:

876 (i) destroy any opened and unused alcoholic beverages that are not saleable, under
877 conditions established by the department; and

878 (ii) return to the on-premise banquet licensee's approved locked storage area any:

879 (A) opened and unused alcoholic beverage that is saleable; and

880 (B) unopened containers of alcoholic beverages.

881 (15) Except as provided in Subsection (14), any open or sealed container of alcoholic
882 beverages not sold or consumed at a banquet:

883 (a) shall be stored by the on-premise banquet licensee in the licensee's approved locked
884 storage area; and

885 (b) may be used at more than one banquet.

886 (16) An on-premise banquet licensee may not employ a minor to sell, serve, dispense,
887 or otherwise furnish alcoholic beverages in connection with the licensee's banquet and room
888 service activities.

889 (17) An employee of an on-premise banquet licensee, while on duty, may not:

890 (a) consume an alcoholic beverage; or

891 (b) be intoxicated.

892 (18) An on-premise banquet licensee shall prominently display at each banquet at
893 which alcoholic beverages are sold or served:

- 894 (a) a copy of the licensee's on-premise banquet license; and
- 895 (b) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
896 drugs is a serious crime that is prosecuted aggressively in Utah."
- 897 (19) The following acts or conduct are considered contrary to the public welfare and
898 morals, and are prohibited at and during the hours of a banquet:
- 899 (a) employing or using any person in the sale or service of alcoholic beverages while
900 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
901 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
902 buttocks, vulva, or genitals;
- 903 (b) employing or using the services of any person to mingle with the patrons while the
904 person is unclothed or in attire, costume, or clothing described in Subsection (19)(a);
- 905 (c) encouraging or permitting any person to touch, caress, or fondle the breasts,
906 buttocks, anus, or genitals of any other person;
- 907 (d) permitting any employee or person to wear or use any device or covering, exposed
908 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;
- 909 (e) permitting any person to use artificial devices or inanimate objects to depict any of
910 the prohibited activities described in this Subsection (19);
- 911 (f) permitting any person to remain in or upon the premises who exposes to public
912 view any portion of that person's genitals or anus; or
- 913 (g) showing films, still pictures, electronic reproductions, or other visual reproductions
914 depicting:
- 915 (i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
916 copulation, flagellation, or any sexual acts prohibited by Utah law;
- 917 (ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or
918 genitals;
- 919 (iii) scenes wherein artificial devices or inanimate objects are used to depict, or
920 drawings are used to portray, any of the prohibited activities described in this Subsection (19);
921 or
- 922 (iv) scenes wherein a person displays the vulva, anus, or the genitals.
- 923 (20) Nothing in Subsection (19) precludes a local authority from being more restrictive
924 of acts or conduct of the type prohibited in Subsection (19).

925 (21) (a) Although live entertainment is permitted at a banquet, an on-premise banquet
 926 licensee may not allow any person to perform or simulate sexual acts prohibited by Utah law,
 927 including sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation, the
 928 touching, caressing, or fondling of the breast, buttocks, anus, or genitals, or the displaying of
 929 the pubic hair, anus, vulva, or genitals.

930 (b) Nothing in Subsection (21)(a) precludes a local authority from being more
 931 restrictive of acts or conduct of the type prohibited in Subsection (21)(a).

932 (22) An on-premise banquet licensee may not on the premises of the hotel, resort
 933 facility, sports center, or convention center:

934 (a) engage in or permit any form of gambling, [~~or~~] as defined and proscribed in Title
 935 76, Chapter 10, Part 11, Gambling;

936 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
 937 Part 11, Gambling[~~, on the premises of the:~~]; or

938 [~~(a) hotel;~~]

939 [~~(b) resort facility;~~]

940 [~~(c) sports center; or~~]

941 [~~(d) convention center.~~]

942 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires

943 ~~H~~→ [~~or simulates~~] ←~~H~~ the risking of something of value for a return or for an outcome
 943a when the return or

944 outcome is based upon an element of chance, excluding the playing of an amusement device
 945 that confers only an immediate and unrecorded right of replay not exchangeable for value.

946 (23) (a) An on-premise banquet licensee shall maintain accounting and such other
 947 records and documents as the commission or department may require.

948 (b) An on-premise banquet licensee or person acting for the on-premise banquet
 949 licensee, who knowingly forges, falsifies, alters, cancels, destroys, conceals, or removes the
 950 entries in any of the books of account or other documents of the on-premise banquet licensee
 951 required to be made, maintained, or preserved by this title or the rules of the commission for
 952 the purpose of deceiving the commission or department, or any of their officials or employees,
 953 is subject to:

954 (i) the suspension or revocation of the on-premise banquet license; and

955 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.

956 (24) (a) For the purpose described in Subsection (24)(b), an on-premise banquet
957 licensee shall provide the department with advance notice of a scheduled banquet in
958 accordance with rules made by the commission in accordance with Title 63, Chapter 46a, Utah
959 Administrative Rulemaking Act.

960 (b) The advance notice required by Subsection (24)(a) is required to provide any of the
961 following the opportunity to conduct a random inspection of a banquet:

- 962 (i) an authorized representative of the commission or the department; or
- 963 (ii) a law enforcement officer.

964 (25) An on-premise banquet licensee shall maintain at least 50% of its total annual
965 banquet gross receipts from the sale of food, not including:

- 966 (a) mix for alcoholic beverages; and
- 967 (b) charges in connection with the service of alcoholic beverages.

968 (26) A person may not transfer an on-premise banquet license from one business
969 location to another without prior written approval of the commission.

970 (27) (a) An on-premise banquet licensee may not sell, transfer, assign, exchange,
971 barter, give, or attempt in any way to dispose of the license to any other person, whether for
972 monetary gain or not.

973 (b) An on-premise banquet license has no monetary value for the purpose of any type
974 of disposition.

975 (28) (a) Room service of alcoholic beverages to a guest room of a hotel or resort
976 facility shall be provided in person by an on-premise banquet licensee employee only to an
977 adult guest in the guest room.

978 (b) Alcoholic beverages may not be left outside a guest room for retrieval by a guest.

979 (c) An on-premise banquet licensee may only provide alcoholic beverages for room
980 service in sealed containers.

981 Section 5. Section **32A-5-107** is amended to read:

982 **32A-5-107. Operational restrictions.**

983 Each club granted a private club license and the employees, management personnel, and
984 members of the club shall comply with the following conditions and requirements. Failure to
985 comply may result in a suspension or revocation of the license or other disciplinary action
986 taken against individual employees or management personnel.

987 (1) Each private club shall have a governing body that:
988 (a) consists of three or more members of the club; and
989 (b) holds regular meetings to:
990 (i) review membership applications; and
991 (ii) conduct any other business as required by the bylaws or house rules of the private
992 club.

993 (2) (a) Each private club may admit an individual as a member only on written
994 application signed by the applicant, subject to:
995 (i) the applicant paying an application fee as required by Subsection (4); and
996 (ii) investigation, vote, and approval of a quorum of the governing body.
997 (b) (i) Admissions shall be recorded in the official minutes of a regular meeting of the
998 governing body.

999 (ii) An application, whether approved or disapproved, shall be filed as a part of the
1000 official records of the licensee.

1001 (c) Notwithstanding Subsection (2)(a), a private club, in its discretion, may admit an
1002 applicant and immediately accord the applicant temporary privileges of a member until the
1003 governing body completes its investigation and votes on the application, subject to the
1004 following conditions:

1005 (i) the applicant shall:
1006 (A) submit a written application; and
1007 (B) pay the application fee required by Subsection (4);
1008 (ii) the governing body votes on the application at its next meeting which shall take
1009 place no later than 31 days following the day on which the application was submitted; and
1010 (iii) the applicant's temporary membership privileges are terminated if the governing
1011 body disapproves the application.

1012 (d) The spouse of a member of any class of private club is entitled to all the rights and
1013 privileges of the member:

1014 (i) to the extent permitted by the bylaws or house rules of the private club; and
1015 (ii) except to the extent restricted by this title.

1016 (e) The minor child of a member of a class A private club is entitled to all the rights
1017 and privileges of the member:

- 1018 (i) to the extent permitted by the bylaws or house rules of the private club; and
1019 (ii) except to the extent restricted by this title.
- 1020 (3) (a) Each private club shall maintain a current and complete membership record
1021 showing:
- 1022 (i) the date of application of each proposed member;
1023 (ii) each member's address;
1024 (iii) the date the governing body approved a member's admission;
1025 (iv) the date initiation fees and dues were assessed and paid; and
1026 (v) the serial number of the membership card issued to each member.
- 1027 (b) A current record shall also be kept indicating when members are dropped or
1028 resigned.
- 1029 (4) (a) Each private club shall establish in the club bylaws or house rules application
1030 fees and membership dues:
- 1031 (i) as established by commission rules; and
1032 (ii) which are collected from all members.
- 1033 (b) An application fee:
- 1034 (i) shall not be less than \$4;
1035 (ii) shall be paid when the applicant applies for membership; and
1036 (iii) at the discretion of the private club, may be credited toward membership dues if
1037 the governing body approves the applicant as a member.
- 1038 (5) (a) Each private club may, in its discretion, allow an individual to be admitted to or
1039 use the club premises as a guest only under the following conditions:
- 1040 (i) each guest must be previously authorized by one of the following who agrees to host
1041 the guest into the club:
- 1042 (A) an active member of the club; or
1043 (B) a holder of a current visitor card;
- 1044 (ii) each guest must be known by the guest's host based on a preexisting bonafide
1045 business or personal relationship with the host prior to the guest's admittance to the club;
- 1046 (iii) each guest must be accompanied by the guest's host for the duration of the guest's
1047 visit to the club;
- 1048 (iv) each guest's host must remain on the club premises for the duration of the guest's

1049 visit to the club;

1050 (v) each guest's host is responsible for the cost of all services extended to the guest;

1051 (vi) each guest enjoys only those privileges derived from the guest's host for the
1052 duration of the guest's visit to the club;

1053 (vii) an employee of the club, while on duty, may not act as a host for a guest;

1054 (viii) an employee of the club, while on duty, may not attempt to locate a member or
1055 current visitor card holder to serve as a host for a guest with whom the member or visitor card
1056 holder has no acquaintance based on a preexisting bonafide business or personal relationship
1057 prior to the guest's arrival at the club; and

1058 (ix) a club and its employees may not enter into an agreement or arrangement with a
1059 club member or holder of a current visitor card to indiscriminately host members of the general
1060 public into the club as guests.

1061 (b) Notwithstanding Subsection (5)(a), previous authorization is not required if:

1062 (i) the licensee is a class B private club; and

1063 (ii) the guest is a member of the same fraternal organization as the private club
1064 licensee.

1065 (6) Each private club may, in its discretion, issue visitor cards to allow individuals to
1066 enter and use the club premises on a temporary basis under the following conditions:

1067 (a) each visitor card shall be issued for a period not to exceed three weeks;

1068 (b) a fee of not less than \$4 shall be assessed for each visitor card issued;

1069 (c) a visitor card shall not be issued to a minor;

1070 (d) a holder of a visitor card may not host more than seven guests at one time;

1071 (e) each visitor card issued shall include:

1072 (i) the visitor's full name and signature;

1073 (ii) the date the card was issued;

1074 (iii) the date the card expires;

1075 (iv) the club's name; and

1076 (v) the serial number of the card; and

1077 (f) (i) the club shall maintain a current record of the issuance of each visitor card on the
1078 club premises; and

1079 (ii) the record described in Subsection (6)(f)(i) shall:

- 1080 (A) be available for inspection by the department; and
- 1081 (B) include:
 - 1082 (I) the name of the person to whom the card was issued;
 - 1083 (II) the date the card was issued;
 - 1084 (III) the date the card expires; and
 - 1085 (IV) the serial number of the card.
- 1086 (7) A private club may not sell alcoholic beverages to or allow any patron to be
- 1087 admitted to or use the club premises other than:
 - 1088 (a) a member;
 - 1089 (b) a visitor who holds a valid visitor card issued under Subsection (6); or
 - 1090 (c) a guest of:
 - 1091 (i) a member; or
 - 1092 (ii) a holder of a current visitor card.
 - 1093 (8) (a) A minor may not be:
 - 1094 (i) a member, officer, director, or trustee of a private club;
 - 1095 (ii) issued a visitor card;
 - 1096 (iii) admitted into, use, or be on the premises of a class D private club except to the
 - 1097 extent authorized under Subsections (8)(b) through (g);
 - 1098 (iv) admitted into, use, or be on the premises of any lounge or bar area, as defined by
 - 1099 commission rule, of any private club except to the extent authorized under Subsection
 - 1100 (8)(c)(ii); or
 - 1101 (v) admitted into, use, or be on the premises of any private club that:
 - 1102 (A) provides sexually oriented adult entertainment as defined by commission rule or by
 - 1103 local ordinance; or
 - 1104 (B) operates as a sexually oriented business as defined by commission rule or by local
 - 1105 ordinance.
 - 1106 (b) At the discretion of a class D private club, a minor may be admitted into, use, or be
 - 1107 on the premises of a class D private club under the following circumstances:
 - 1108 (i) during periods when no alcoholic beverages are sold, served, otherwise furnished,
 - 1109 or consumed on the premises, but in no event later than 1 p.m.;
 - 1110 (ii) when accompanied at all times by a member or holder of a current visitor card who

1111 is the minor's parent, legal guardian, or spouse; and
1112 (iii) the private club has a full kitchen and is licensed by the local jurisdiction as a food
1113 service provider.
1114 (c) A minor may be employed by a class D private club on the premises of the club if:
1115 (i) the parent or legal guardian of the minor owns or operates the class D private club;
1116 or
1117 (ii) the minor performs maintenance and cleaning services during the hours when the
1118 club is not open for business.
1119 (d) (i) Subject to Subsection (8)(d)(ii), a minor who is at least 18 years of age may be
1120 admitted into, use, or be on the premises of a dance or concert hall if:
1121 (A) the dance or concert hall is located:
1122 (I) on the premises of a class D private club; or
1123 (II) on the property that immediately adjoins the premises of and is operated by a class
1124 D private club; and
1125 (B) the commission has issued the class D private club a permit to operate a minor
1126 dance or concert hall based on the criteria described in Subsection (8)(d)(iii).
1127 (ii) If the dance or concert hall is located on the premises of a class D private club, a
1128 minor must be properly hosted in accordance with Subsection (5) by:
1129 (A) a member; or
1130 (B) a holder of a current visitor card.
1131 (iii) The commission may issue a minor dance or concert hall permit if:
1132 (A) the club's lounge, bar, and alcoholic beverage consumption area is:
1133 (I) not accessible to minors;
1134 (II) clearly defined; and
1135 (III) separated from the dance or concert hall area by walls, multiple floor levels, or
1136 other substantial physical barriers;
1137 (B) any bar or dispensing area is not visible to minors;
1138 (C) no consumption of alcoholic beverages may occur in:
1139 (I) the dance or concert hall area; or
1140 (II) any area of the club accessible to a minor;
1141 (D) the club maintains sufficient security personnel to prevent the passing of beverages

1142 from the club's lounge, bar, or alcoholic beverage consumption areas to:

1143 (I) the dance or concert hall area; or

1144 (II) any area of the club accessible to a minor;

1145 (E) there are separate entrances, exits, and restroom facilities from the club's lounge,

1146 bar, and alcoholic beverage consumption areas than for:

1147 (I) the dance or concert hall area; or

1148 (II) any area accessible to a minor; and

1149 (F) the club complies with any other restrictions imposed by the commission by rule.

1150 (e) A minor under 18 years of age who is accompanied at all times by a parent or legal

1151 guardian who is a member or holder of a current visitor card may be admitted into, use, or be

1152 on the premises of a concert hall described in Subsection (8)(d)(i) if:

1153 (i) all requirements of Subsection (8)(d) are met; and

1154 (ii) all signage, product, and dispensing equipment containing recognition of alcoholic
1155 beverages is not visible to the minor.

1156 (f) A minor under 18 years of age but who is 14 years of age or older who is not

1157 accompanied by a parent or legal guardian may be admitted into, use, or be on the premises of

1158 a concert hall described in Subsection (8)(d)(i) if:

1159 (i) all requirements of Subsections (8)(d) and (8)(e)(ii) are met; and

1160 (ii) there is no alcoholic beverage, sales, service, or consumption on the premises of the
1161 class D private club.

1162 (g) The commission may suspend or revoke a minor dance or concert permit issued to
1163 a class D private club and suspend or revoke the license of the class D private club if:

1164 (i) the club fails to comply with the restrictions in Subsection (8)(d), (e), or (f);

1165 (ii) the club sells, serves, or otherwise furnishes alcoholic beverages to a minor;

1166 (iii) the licensee or a supervisory or managerial level employee of the private club is

1167 convicted under Title 58, Chapter 37, Utah Controlled Substances Act, on the basis of activities

1168 that occurred on:

1169 (A) the licensed premises; or

1170 (B) the dance or concert hall that is located on property that immediately adjoins the
1171 premises of and is operated by the class D private club;

1172 (iv) there are three or more convictions of patrons of the private club under Title 58,

- 1173 Chapter 37, Utah Controlled Substances Act, based on activities that occurred on:
- 1174 (A) the licensed premises; or
- 1175 (B) the dance or concert hall that is located on property that immediately adjoins the
- 1176 premises of and is operated by the class D private club;
- 1177 (v) there is more than one conviction:
- 1178 (A) of:
- 1179 (I) the licensee;
- 1180 (II) an employee of the licensee;
- 1181 (III) an entertainer contracted by the licensee; or
- 1182 (IV) a patron of the private club; and
- 1183 (B) made on the basis of lewd acts or lewd entertainment prohibited by this title that
- 1184 occurred on:
- 1185 (I) the licensed premises; or
- 1186 (II) the dance or concert hall that is located on property that immediately adjoins the
- 1187 premises of and is operated by the class D private club; or
- 1188 (vi) the commission finds acts or conduct contrary to the public welfare and morals
- 1189 involving lewd acts or lewd entertainment prohibited by this title that occurred on:
- 1190 (A) the licensed premises; or
- 1191 (B) the dance or concert hall that is located on property that immediately adjoins the
- 1192 premises of and is operated by the class D private club.
- 1193 (h) Nothing in this Subsection (8) shall prohibit a class D private club from selling,
- 1194 serving, or otherwise furnishing alcoholic beverages in a dance or concert area located on the
- 1195 club premises on days and times when the club does not allow minors into those areas.
- 1196 (i) Nothing in Subsections (8)(a) through (g) precludes a local authority from being
- 1197 more restrictive of a minor's admittance to, use of, or presence on the premises of any private
- 1198 club.
- 1199 (9) An employee of a club, while on duty, may not:
- 1200 (a) consume an alcoholic beverage;
- 1201 (b) be intoxicated; or
- 1202 (c) act as a host for a guest.
- 1203 (10) (a) Each private club shall maintain an expense ledger or record showing in detail

1204 all expenditures separated by payments for:

1205 (i) malt or brewed beverages;

1206 (ii) liquor;

1207 (iii) food;

1208 (iv) detailed payroll;

1209 (v) entertainment;

1210 (vi) rent;

1211 (vii) utilities;

1212 (viii) supplies; and

1213 (ix) all other expenditures.

1214 (b) The record required by this Subsection (10) shall be:

1215 (i) kept in a form approved by the department; and

1216 (ii) balanced each month.

1217 (c) Each expenditure shall be supported by:

1218 (i) delivery tickets;

1219 (ii) invoices;

1220 (iii) receipted bills;

1221 (iv) canceled checks;

1222 (v) petty cash vouchers; or

1223 (vi) other sustaining data or memoranda.

1224 (d) All invoices and receipted bills for the current calendar or fiscal year documenting
1225 purchases made by the club shall also be maintained.

1226 (11) (a) Each private club shall maintain a minute book that is posted currently by the
1227 club.

1228 (b) The minute book required by this Subsection (11) shall contain the minutes of all
1229 regular and special meetings of the governing body.

1230 (c) Membership lists shall also be maintained.

1231 (12) (a) Each private club shall maintain current copies of the club's current bylaws and
1232 current house rules.

1233 (b) Changes in the bylaws or house rules:

1234 (i) are not effective unless submitted to the department within ten days after adoption;

1235 and

1236 (ii) become effective 15 days after received by the department unless rejected by the
1237 department before the expiration of the 15-day period.

1238 (13) Each private club shall maintain accounting and other records and documents as
1239 the department may require.

1240 (14) Any club or person acting for the club, who knowingly forges, falsifies, alters,
1241 cancels, destroys, conceals, or removes the entries in any of the books of account or other
1242 documents of the club required to be made, maintained, or preserved by this title or the rules of
1243 the commission for the purpose of deceiving the commission or the department, or any of their
1244 officials or employees, is subject to:

1245 (a) the suspension or revocation of the club's license; and

1246 (b) possible criminal prosecution under Chapter 12, Criminal Offenses.

1247 (15) (a) Each private club shall maintain and keep all the records required by this
1248 section and all other books, records, receipts, and disbursements maintained or used by the
1249 licensee, as the department requires, for a minimum period of three years.

1250 (b) All records, books, receipts, and disbursements are subject to inspection by
1251 authorized representatives of the commission and the department.

1252 (c) The club shall allow the department, through its auditors or examiners, to audit all
1253 records of the club at times the department considers advisable.

1254 (d) The department shall audit the records of the licensee at least once annually.

1255 (16) Each private club shall own or lease premises suitable for the club's activities.

1256 (17) (a) A private club may not maintain facilities in any manner that barricades or
1257 conceals the club operation.

1258 (b) Any member of the commission, authorized department personnel, or any peace
1259 officer shall, upon presentation of credentials, be admitted immediately to the club and
1260 permitted without hindrance or delay to inspect completely the entire club premises and all
1261 books and records of the licensee, at any time during which the same are open for the
1262 transaction of business to its members.

1263 (18) Any public advertising related to a private club by the following shall clearly
1264 identify a club as being "a private club for members":

1265 (a) the private club;

1266 (b) the employees or agents of the private club; or

1267 (c) any person under a contract or agreement with the club.

1268 (19) A private club must have food available at all times when alcoholic beverages are
1269 sold, served, or consumed on the premises.

1270 (20) (a) Liquor may not be purchased by a private club licensee except from state
1271 stores or package agencies.

1272 (b) Liquor purchased in accordance with Subsection (20)(a) may be transported by the
1273 licensee from the place of purchase to the licensed premises.

1274 (c) Payment for liquor shall be made in accordance with rules established by the
1275 commission.

1276 (21) A private club licensee may sell or provide any primary spirituous liquor only in a
1277 quantity not to exceed one ounce per beverage dispensed through a calibrated metered
1278 dispensing system approved by the department in accordance with commission rules adopted
1279 under this title, except that:

1280 (a) spirituous liquor need not be dispensed through a calibrated metered dispensing
1281 system if used as a secondary flavoring ingredient in a beverage subject to the following
1282 restrictions:

1283 (i) the secondary ingredient may be dispensed only in conjunction with the purchase of
1284 a primary spirituous liquor;

1285 (ii) the secondary ingredient is not the only spirituous liquor in the beverage;

1286 (iii) the private club licensee shall designate a location where flavorings are stored on
1287 the floor plan provided to the department; and

1288 (iv) all flavoring containers shall be plainly and conspicuously labeled "flavorings";

1289 (b) spirituous liquor need not be dispensed through a calibrated metered dispensing
1290 system if used:

1291 (i) as a flavoring on desserts; and

1292 (ii) in the preparation of flaming food dishes, drinks, and desserts; and

1293 (c) each club patron may have no more than 2.75 ounces of spirituous liquor at a time
1294 before the patron.

1295 (22) (a) (i) Wine may be sold and served by the glass or an individual portion not to
1296 exceed five ounces per glass or individual portion.

1297 (ii) An individual portion may be served to a patron in more than one glass as long as
1298 the total amount of wine does not exceed five ounces.

1299 (iii) An individual portion of wine is considered to be one alcoholic beverage under
1300 Subsection (26)(c).

1301 (b) (i) Wine may be sold and served in containers not exceeding 1.5 liters at prices
1302 fixed by the commission to tables of four or more persons.

1303 (ii) Wine may be sold and served in containers not exceeding 750 ml at prices fixed by
1304 the commission to tables of less than four persons.

1305 (c) A wine service may be performed and a service charge assessed by the private club
1306 as authorized by commission rule for wine purchased at the private club.

1307 (23) (a) Heavy beer may be served in original containers not exceeding one liter at
1308 prices fixed by the commission.

1309 (b) A service charge may be assessed by the private club for heavy beer purchased at
1310 the private club.

1311 (24) (a) (i) Subject to Subsection (24)(a)(ii), a private club licensed to sell liquor may
1312 sell beer for on-premise consumption:

1313 (A) in an open container; and

1314 (B) on draft.

1315 (ii) Beer sold pursuant to Subsection (24)(a)(i) shall be in a size of container that does
1316 not exceed two liters, except that beer may not be sold to an individual patron in a size of
1317 container that exceeds one liter.

1318 (b) (i) A private club licensed under this chapter that sells beer pursuant to Subsection
1319 (24)(a):

1320 (A) may do so without obtaining a separate on-premise beer retailer license from the
1321 commission; and

1322 (B) shall comply with all appropriate operational restrictions under Chapter 10, Beer
1323 Retailer Licenses, that apply to on-premise beer retailers except when those restrictions are
1324 inconsistent with or less restrictive than the operational restrictions under this chapter.

1325 (ii) Failure to comply with the operational restrictions under Chapter 10, Beer Retailer
1326 Licenses, required by Subsection (24)(b)(i) may result in a suspension or revocation of the
1327 private club's:

- 1328 (A) state liquor license; and
- 1329 (B) alcoholic beverage license issued by the local authority.
- 1330 (25) Alcoholic beverages may not be stored, served, or sold in any place other than as
- 1331 designated in the licensee's application, unless the licensee first applies for and receives
- 1332 approval from the department for a change of location within the private club.
- 1333 (26) (a) A patron may only make alcoholic beverage purchases in the private club from
- 1334 and be served by a person employed, designated, and trained by the licensee to sell, dispense,
- 1335 and serve alcoholic beverages.
- 1336 (b) Notwithstanding Subsection (26)(a), a patron who has purchased bottled wine from
- 1337 an employee of the private club or has carried bottled wine onto the premises of the private
- 1338 club pursuant to Subsection (32) may thereafter serve wine from the bottle to the patron or
- 1339 others at the patron's table.
- 1340 (c) Each club patron may have no more than two alcoholic beverages of any kind at a
- 1341 time before the patron.
- 1342 (27) The liquor storage area shall remain locked at all times other than those hours and
- 1343 days when liquor sales and service are authorized by law.
- 1344 (28) (a) Liquor may not be sold, offered for sale, served, or otherwise furnished at a
- 1345 private club during the following days or hours:
- 1346 (i) until after the polls are closed on the day of any:
- 1347 (A) regular general election;
- 1348 (B) regular primary election; or
- 1349 (C) statewide special election;
- 1350 (ii) until after the polls are closed on the day of any municipal, special district, or
- 1351 school election, but only:
- 1352 (A) within the boundaries of the municipality, special district, or school district; and
- 1353 (B) if required by local ordinance; and
- 1354 (iii) on any other day after 1 a.m. and before 10 a.m.
- 1355 (b) The hours of beer sales and service are those specified in Chapter 10, Beer Retailer
- 1356 Licenses, for on-premise beer licenses.
- 1357 (c) (i) Notwithstanding Subsections (28)(a) and (b), a private club shall remain open
- 1358 for one hour after the private club ceases the sale and service of alcoholic beverages during

- 1359 which time a patron of the club may finish consuming:
- 1360 (A) any single drink containing spirituous liquor;
- 1361 (B) a single serving of wine not exceeding five ounces;
- 1362 (C) a single serving of heavy beer; or
- 1363 (D) a single serving of beer not exceeding 26 ounces.
- 1364 (ii) A club is not required to remain open:
- 1365 (A) after all patrons have vacated the premises; or
- 1366 (B) during an emergency.
- 1367 (d) Between the hours of 2 a.m. and 10 a.m. on any day a private club may not allow a
- 1368 patron to remain on the premises to consume alcoholic beverages on the premises.
- 1369 (29) Alcoholic beverages may not be sold, served, or otherwise furnished to any:
- 1370 (a) minor;
- 1371 (b) person actually, apparently, or obviously intoxicated;
- 1372 (c) known habitual drunkard; or
- 1373 (d) known interdicted person.
- 1374 (30) (a) (i) Liquor may be sold only at prices fixed by the commission.
- 1375 (ii) Liquor may not be sold at discount prices on any date or at any time.
- 1376 (b) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverage
- 1377 to the licensee.
- 1378 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
- 1379 over consumption or intoxication.
- 1380 (d) The price of a single serving of a primary spirituous liquor shall be the same
- 1381 whether served as a single drink or in conjunction with another alcoholic beverage.
- 1382 (e) An alcoholic beverage may not be sold at a special or reduced price for only certain
- 1383 hours of the private club's business day such as a "happy hour."
- 1384 (f) The sale or service of more than one alcoholic beverage for the price of a single
- 1385 alcoholic beverage is prohibited.
- 1386 (g) The sale or service of an indefinite or unlimited number of alcoholic beverages
- 1387 during any set period for a fixed price is prohibited.
- 1388 (h) A private club licensee may not engage in a promotion involving or offering free
- 1389 alcoholic beverages to patrons of the club.

1390 (31) Alcoholic beverages may not be purchased for a patron of the private club by:

1391 (a) the licensee; or

1392 (b) any employee or agent of the licensee.

1393 (32) (a) A person may not bring onto the premises of a private club licensee any
1394 alcoholic beverage for on-premise consumption, except a person may bring, subject to the
1395 discretion of the licensee, bottled wine onto the premises of any private club licensee for
1396 on-premise consumption.

1397 (b) Except bottled wine under Subsection (32)(a), a private club or its officers,
1398 managers, employees, or agents may not allow:

1399 (i) a person to bring onto the private club premises any alcoholic beverage for
1400 consumption on the private club premises; or

1401 (ii) consumption of alcoholic beverages described in Subsection (32)(b)(i) on the
1402 premises of the private club.

1403 (c) If bottled wine is carried in by a patron, the patron shall deliver the wine to a server
1404 or other representative of the licensee upon entering the private club.

1405 (d) A wine service may be performed and a service charge assessed by the private club
1406 as authorized by commission rule for wine carried in by a patron.

1407 (33) (a) Except as provided in Subsection (33)(b), a private club and its employees may
1408 not permit a patron of the club to carry from the club premises an open container that:

1409 (i) is used primarily for drinking purposes; and

1410 (ii) contains any alcoholic beverage.

1411 (b) A patron may remove the unconsumed contents of a bottle of wine if before
1412 removal the bottle has been recorked or recapped.

1413 (34) (a) A minor may not be employed by any class A, B, or C private club to sell,
1414 dispense, or handle any alcoholic beverage.

1415 (b) Notwithstanding Subsection (34)(a), a minor may be employed by a class A or C
1416 private club to enter the sale at a cash register or other sales recording device.

1417 (c) Except to the extent authorized in Subsection (8)(c), a minor may not be employed
1418 by or be on the premises of any class D private club.

1419 (d) A minor may not be employed to work in any lounge or bar area of any class A, B,
1420 or C private club.

- 1421 (35) An employee of a private club, while on duty, may not:
- 1422 (a) consume an alcoholic beverage; or
- 1423 (b) be intoxicated.
- 1424 (36) (a) A private club may not charge for the service or supply of glasses, ice, or
- 1425 mixers unless:
- 1426 (i) the charges are fixed in the house rules of the club; and
- 1427 (ii) a copy of the house rules is kept on the club premises and available at all times for
- 1428 examination by patrons of the club.
- 1429 (b) A charge or fee made in connection with the sale, service, or consumption of liquor
- 1430 may be stated in food or alcoholic beverage menus including:
- 1431 (i) a set-up charge;
- 1432 (ii) a service charge; or
- 1433 (iii) a chilling fee.
- 1434 (37) Each private club licensee shall display in a prominent place in the private club:
- 1435 (a) the private club license that is issued by the department;
- 1436 (b) a list of the types and brand names of liquor being served through its calibrated
- 1437 metered dispensing system; and
- 1438 (c) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
- 1439 drugs is a serious crime that is prosecuted aggressively in Utah."
- 1440 (38) The following acts or conduct in a private club licensed under this chapter are
- 1441 considered contrary to the public welfare and morals, and are prohibited upon the premises:
- 1442 (a) employing or using any person in the sale or service of alcoholic beverages while
- 1443 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
- 1444 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
- 1445 buttocks, vulva, or genitals;
- 1446 (b) employing or using the services of any person to mingle with the patrons while the
- 1447 person is unclothed or in attire, costume, or clothing described in Subsection (38)(a);
- 1448 (c) encouraging or permitting any person to touch, caress, or fondle the breasts,
- 1449 buttocks, anus, or genitals of any other person;
- 1450 (d) permitting any employee or person to wear or use any device or covering, exposed
- 1451 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;

1452 (e) permitting any person to use artificial devices or inanimate objects to depict any of
 1453 the prohibited activities described in this Subsection (38);

1454 (f) permitting any person to remain in or upon the premises who exposes to public
 1455 view any portion of his or her genitals or anus; or

1456 (g) showing films, still pictures, electronic reproductions, or other visual reproductions
 1457 depicting:

1458 (i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
 1459 copulation, flagellation, or any sexual acts prohibited by Utah law;

1460 (ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or
 1461 genitals;

1462 (iii) scenes wherein artificial devices or inanimate objects are used to depict, or
 1463 drawings are used to portray, any of the prohibited activities described in this Subsection (38);
 1464 or

1465 (iv) scenes wherein a person displays the vulva or the anus or the genitals.

1466 (39) Nothing in Subsection (38) precludes a local authority from being more restrictive
 1467 of acts or conduct of the type prohibited in Subsection (38).

1468 (40) (a) Although live entertainment is permitted on the premises of a club liquor
 1469 licensee, a licensee may not allow any person to perform or simulate sexual acts prohibited by
 1470 Utah law, including sexual intercourse, masturbation, sodomy, bestiality, oral copulation,
 1471 flagellation, or the touching, caressing, or fondling of the breast, buttocks, anus, or genitals, or
 1472 the displaying of the pubic hair, anus, vulva, or genitals. Entertainers shall perform only upon
 1473 a stage or at a designated area approved by the commission.

1474 (b) Nothing in Subsection (40)(a) precludes a local authority from being more
 1475 restrictive of acts or conduct of the type prohibited in Subsection (40)(a).

1476 (41) A private club may not on the premises of the private club:

1477 (a) engage in or permit any form of gambling, ~~[or]~~ as defined and proscribed in Title
 1478 76, Chapter 10, Part 11, Gambling;

1479 (b) have any video gaming device, as defined and proscribed in Title 76, Chapter 10,
 1480 Part 11, Gambling~~[-on the premises of the private club.]; or~~

1481 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
 1482 Ĥ→ [or simulates] ←Ĥ the risking of something of value for a return or for an outcome
 1482a when the return or

1483 outcome is based upon an element of chance, excluding the playing of an amusement device
1484 that confers only an immediate and unrecorded right of replay not exchangeable for value.

1485 (42) (a) A private club may not close or cease operation for a period longer than 240
1486 hours, unless:

1487 (i) the private club licensee notifies the department in writing at least seven days before
1488 the closing; and

1489 (ii) the closure or cessation of operation is first approved by the department.

1490 (b) Notwithstanding Subsection (42)(a), in the case of emergency closure, immediate
1491 notice of closure shall be made to the department by telephone.

1492 (c) The department may authorize a closure or cessation of operation for a period not to
1493 exceed 60 days. The department may extend the initial period an additional 30 days upon
1494 written request of the private club and upon a showing of good cause. A closure or cessation of
1495 operation may not exceed a total of 90 days without commission approval.

1496 (d) The notice required by Subsection (42)(a) shall include:

1497 (i) the dates of closure or cessation of operation;

1498 (ii) the reason for the closure or cessation of operation; and

1499 (iii) the date on which the licensee will reopen or resume operation.

1500 (e) Failure of the licensee to provide notice and to obtain department authorization
1501 prior to closure or cessation of operation shall result in an automatic forfeiture of:

1502 (i) the license; and

1503 (ii) the unused portion of the license fee for the remainder of the license year effective
1504 immediately.

1505 (f) Failure of the licensee to reopen or resume operation by the approved date shall
1506 result in an automatic forfeiture of:

1507 (i) the license; and

1508 (ii) the unused portion of the club's license fee for the remainder of the license year.

1509 (43) A private club license may not be transferred from one location to another,
1510 without prior written approval of the commission.

1511 (44) (a) A private club licensee, may not sell, transfer, assign, exchange, barter, give, or
1512 attempt in any way to dispose of the license to any other person, whether for monetary gain or
1513 not.

1514 (b) A private club license has no monetary value for the purpose of any type of
1515 disposition.

1516 Section 6. Section **32A-7-106** is amended to read:

1517 **32A-7-106. Operational restrictions.**

1518 (1) (a) Any organization granted a single event permit and any person involved in the
1519 storage, sale, or service of alcoholic beverages at the event for which the permit is issued, shall
1520 abide by:

1521 (i) this title;

1522 (ii) the rules of the commission; and

1523 (iii) the special conditions and requirements provided in this section.

1524 (b) Failure to comply with Subsection (1)(a):

1525 (i) may result in:

1526 (A) an immediate revocation of the permit;

1527 (B) forfeiture of the surety bond; and

1528 (C) immediate seizure of all alcoholic beverages present at the event; and

1529 (ii) disqualifies the organization from applying for a single event permit under this
1530 chapter, or a temporary special event beer permit under Chapter 10, Part 3, Temporary Special
1531 Event Beer Permits, for a period of three years from the date of revocation of the permit.

1532 (c) Any alcoholic beverages seized under this Subsection (1) shall be returned to the
1533 organization after the event if forfeiture proceedings are not instituted under Section
1534 32A-13-103.

1535 (2) Special conditions and requirements for single event permittees include the
1536 following:

1537 (a) (i) All persons involved in the storage, sale, or service of alcoholic beverages at the
1538 event do so under the supervision and direction of the permittee.

1539 (ii) All persons involved in the sale or service of alcoholic beverages at the event may
1540 not, while on duty:

1541 (A) consume an alcoholic beverage; or

1542 (B) be intoxicated.

1543 (b) (i) All liquor stored, sold, served, and consumed at the event shall be purchased by
1544 the permittee from a state store or package agency.

- 1545 (ii) All beer purchased by the permittee shall be purchased from:
1546 (A) a licensed beer wholesaler; or
1547 (B) a licensed beer retailer.
- 1548 (iii) All alcoholic beverages are considered under the control of the permittee during
1549 the event.
- 1550 (iv) Attendees of the event may not bring any alcoholic beverages onto the premises of
1551 the event.
- 1552 (c) A permittee may not charge more than the maximum amount set forth in the permit
1553 for any alcoholic beverage.
- 1554 (d) Each permittee shall post in a prominent place in the area in which alcoholic
1555 beverages are being sold, served, and consumed, a copy of the permit, together with a list of the
1556 operational restrictions and requirements of single event permittees set forth in this section.
- 1557 (e) Alcoholic beverages purchased for the event may not be stored, sold, served, or
1558 consumed in any location other than that described in the application and designated on the
1559 permit unless the permittee first applies for and receives approval from the commission for a
1560 change of location.
- 1561 (f) (i) A single event permittee may sell or provide a primary spirituous liquor only in a
1562 quantity not to exceed one ounce per beverage except that additional spirituous liquor may be
1563 used in a beverage if:
- 1564 (A) used as a secondary flavoring ingredient;
1565 (B) used in conjunction with the primary spirituous liquor;
1566 (C) the secondary ingredient is not the only spirituous liquor in the beverage; and
1567 (D) each attendee may have no more than 2.75 ounces of spirituous liquor at a time
1568 before the attendee.
- 1569 (ii) Spirituous liquor need not be dispensed through a calibrated metered dispensing
1570 system.
- 1571 (g) (i) (A) Wine may be sold and served by the glass or an individual portion that does
1572 not exceed five ounces per glass or individual portion.
- 1573 (B) An individual portion may be served to an attendee in more than one glass as long
1574 as the total amount of wine does not exceed five ounces.
- 1575 (C) An individual portion of wine is considered to be one alcoholic beverage under

1576 Subsection (2)(p).

1577 (ii) Wine may be sold and served in containers not exceeding 1.5 liters at prices fixed
1578 by the commission.

1579 (iii) A wine service may be performed and a service charge assessed by the single event
1580 permittee as authorized by commission rule for wine purchased at the event.

1581 (h) (i) Heavy beer may be served in original containers not exceeding one liter at prices
1582 fixed by the commission.

1583 (ii) A service charge may be assessed by the single event permittee as authorized by
1584 commission rule for heavy beer purchased at the event.

1585 (i) (i) Subject to Subsection (2)(i)(ii), beer may be sold for on-premise consumption:

1586 (A) in an open container; and

1587 (B) on draft.

1588 (ii) Beer sold pursuant to Subsection (2)(i)(i) shall be in a size of container that does
1589 not exceed two liters, except that beer may not be sold to an individual attendee in a size of
1590 container that exceeds one liter.

1591 (j) (i) Alcoholic beverages may not be sold, served, or consumed between the hours of
1592 1 a.m. and 10 a.m.

1593 (ii) This Subsection (2)(j) does not preclude a local authority from being more
1594 restrictive with respect to the hours of sale, service, or consumption of alcoholic beverages at a
1595 temporary single event.

1596 (k) Alcoholic beverages may not be sold, served, or otherwise furnished until after the
1597 polls are closed on the day of any:

1598 (i) regular general election;

1599 (ii) regular primary election; or

1600 (iii) statewide special election.

1601 (l) Alcoholic beverages may not be sold, served, or otherwise furnished to any:

1602 (i) minor;

1603 (ii) person actually, apparently, or obviously intoxicated;

1604 (iii) known habitual drunkard; or

1605 (iv) known interdicted person.

1606 (m) (i) (A) Liquor may be sold only at prices fixed by the commission.

- 1607 (B) Liquor may not be sold at discount prices on any date or at any time.
- 1608 (ii) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverage
1609 to the permittee.
- 1610 (iii) An alcoholic beverage may not be sold at a price that encourages over
1611 consumption or intoxication.
- 1612 (iv) An alcoholic beverage may not be sold at a special or reduced price for only
1613 certain hours of the day of the permitted event.
- 1614 (v) The sale or service of more than one alcoholic beverage for the price of a single
1615 alcoholic beverage is prohibited.
- 1616 (vi) The permittee may not engage in a public promotion involving or offering free
1617 alcoholic beverages to the general public.
- 1618 (n) A single event permittee and its employees may not permit an attendee to carry
1619 from the premises an open container that:
- 1620 (i) is used primarily for drinking purposes; and
1621 (ii) contains any alcoholic beverage.
- 1622 (o) A minor may not sell, serve, dispense, or handle any alcoholic beverage at the
1623 event.
- 1624 (p) Each attendee may have no more than one alcoholic beverage of any kind at a time
1625 before the patron.
- 1626 (3) The following acts or conduct at an event for which a permit is issued under this
1627 chapter are considered contrary to the public welfare and morals, and are prohibited upon the
1628 premises:
- 1629 (a) employing or using any person in the sale or service of alcoholic beverages while
1630 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
1631 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
1632 buttocks, vulva, or genitals;
- 1633 (b) employing or using the services of any person to mingle with the patrons while the
1634 person is unclothed or in attire, costume, or clothing described in Subsection (3)(a);
- 1635 (c) encouraging or permitting any person to touch, caress, or fondle the breasts,
1636 buttocks, anus, or genitals of any other person;
- 1637 (d) permitting any employee or person to wear or use any device or covering, exposed

1638 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;
1639 (e) permitting any person to use artificial devices or inanimate objects to depict any of
1640 the prohibited activities described in this Subsection (3);
1641 (f) permitting any person to remain in or upon the premises who exposes to public
1642 view any portion of his or her genitals or anus;
1643 (g) showing films, still pictures, electronic reproductions, or other visual reproductions
1644 depicting:
1645 (i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
1646 copulation, flagellation, or any sexual acts prohibited by Utah law;
1647 (ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or
1648 genitals;
1649 (iii) scenes wherein artificial devices or inanimate objects are used to depict, or
1650 drawings are used to portray, any of the prohibited activities described in this Subsection (3); or
1651 (iv) scenes wherein a person displays the vulva or the anus or the genitals.
1652 (4) Nothing in Subsection (3) precludes a local authority from being more restrictive of
1653 acts or conduct of the type prohibited in Subsection (3).
1654 (5) (a) Although live entertainment is permitted at the event for which a permit has
1655 been issued under this chapter, a permittee may not allow any person to perform or simulate
1656 sexual acts prohibited by Utah law, including sexual intercourse, masturbation, sodomy,
1657 bestiality, oral copulation, flagellation, the touching, caressing, or fondling of the breast,
1658 buttocks, anus, or genitals, or the displaying of the pubic hair, anus, vulva, or genitals.
1659 Entertainers shall perform only upon a stage or at a designated area approved by the
1660 commission.
1661 (b) Nothing in Subsection (5)(a) precludes a local authority from being more restrictive
1662 of acts or conduct of the type prohibited in Subsection (5)(a).
1663 (6) The permittee shall maintain an expense and revenue ledger or record showing:
1664 (a) expenditures made for liquor and beer, set-ups, and other ingredients and
1665 components of alcoholic beverages; and
1666 (b) the revenue from sale of alcoholic beverages.
1667 (7) A single event permit may not be transferred.
1668 (8) A single event permittee may not on the premises serviced by the single event

1669 permittee:

1670 (a) engage in or allow any form of gambling, ~~[or]~~ as defined and proscribed in Title 76,

1671 Chapter 10, Part 11, Gambling;

1672 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,

1673 Part 11, Gambling~~[-on the premises serviced by the single event permittee.]; or~~

1674 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires

1675 ~~H→~~ [or simulates] ~~←H~~ the risking of something of value for a return or for an outcome when the

1675a return or

1676 outcome is based upon an element of chance, excluding the playing of an amusement device

1677 that confers only an immediate and unrecorded right of replay not exchangeable for value.

1678 Section 7. Section **32A-10-206** is amended to read:

1679 **32A-10-206. Operational restrictions.**

1680 Each person granted an on-premise beer retailer license and the employees and

1681 management personnel of the on-premise beer retailer licensee shall comply with the following

1682 conditions and requirements. Failure to comply may result in a suspension or revocation of the

1683 license or other disciplinary action taken against individual employees or management

1684 personnel.

1685 (1) (a) Subject to Subsection (1)(b), a beer retailer licensee may sell beer for

1686 on-premise consumption:

1687 (i) in an open container; and

1688 (ii) on draft.

1689 (b) Beer sold pursuant to Subsection (1)(a) shall be in a size of container that does not

1690 exceed two liters, except that beer may not be sold to an individual patron in a size of container

1691 that exceeds one liter.

1692 (2) Liquor may not be stored or sold on the premises of any on-premise beer retailer

1693 licensee.

1694 (3) A patron of the on-premise beer retailer may only make purchases from and be

1695 served by a person employed, designated, and trained by the licensee to sell and serve beer.

1696 (4) (a) Beer may not be sold, offered for sale, served, or otherwise furnished at any

1697 on-premise beer retailer establishment after 1 a.m. and before 10 a.m.

1698 (b) Beer may not be sold, served, or otherwise furnished to any:

1699 (i) minor;

- 1700 (ii) person actually, apparently, or obviously intoxicated;
- 1701 (iii) known habitual drunkard; or
- 1702 (iv) known interdicted person.
- 1703 (c) (i) Notwithstanding Subsection (4)(a), a tavern licensed under this chapter shall
- 1704 remain open for one hour after the tavern ceases the sale and service of alcoholic beverages
- 1705 during which time a patron of the tavern may finish consuming a single serving of beer not
- 1706 exceeding 26 ounces.
- 1707 (ii) A tavern is not required to remain open:
- 1708 (A) after all patrons have vacated the premises; or
- 1709 (B) during an emergency.
- 1710 (d) Between the hours of 2 a.m. and 10 a.m. on any day a tavern may not allow a patron
- 1711 to remain on the premises to consume alcoholic beverages on the premises.
- 1712 (5) (a) Beer may not be sold at less than the cost of the beer to the licensee.
- 1713 (b) Beer may not be sold at a special or reduced price that encourages over
- 1714 consumption or intoxication.
- 1715 (c) Beer may not be sold at a special or reduced price for only certain hours of the beer
- 1716 retailer's business day such as a "happy hour."
- 1717 (d) The sale or service of more than one alcoholic beverage for the price of a single
- 1718 alcoholic beverage is prohibited.
- 1719 (e) The sale or service of an indefinite or unlimited number of alcoholic beverages
- 1720 during any set period for a fixed price is prohibited.
- 1721 (f) An on-premise beer licensee may not engage in a public promotion involving or
- 1722 offering free alcoholic beverages to the general public.
- 1723 (6) Beer sold in sealed containers by the on-premise beer retailer licensee may be
- 1724 removed from the on-premise beer retailer premises.
- 1725 (7) (a) A person may not bring onto the premises of an on-premise beer retailer
- 1726 licensee any alcoholic beverage for on-premise consumption.
- 1727 (b) An on-premise beer retailer licensee or its officers, managers, employees, or agents
- 1728 may not:
- 1729 (i) allow a person to bring onto the on-premise beer retailer licensee premises any
- 1730 alcoholic beverage for on-premise consumption; or

- 1731 (ii) allow consumption of any such alcoholic beverage on its premises.
- 1732 (8) An on-premise beer retailer licensee and its employees may not permit a patron to
1733 carry from the premises an open container that:
- 1734 (a) is used primarily for drinking purposes; and
1735 (b) contains any alcoholic beverage.
- 1736 (9) (a) Except as provided in Subsection (9)(b), a minor may not be:
- 1737 (i) employed by or be on the premises of an on-premise beer retailer licensee to sell,
1738 dispense, or otherwise furnish beer; or
1739 (ii) on the premises of any tavern.
- 1740 (b) Notwithstanding Subsection (9)(a), a minor may be employed to enter the sale at a
1741 cash register or other sales recording device on the premises of an on-premise beer retailer that
1742 is not a tavern.
- 1743 (10) An employee of a licensee, while on duty, may not:
- 1744 (a) consume an alcoholic beverage; or
1745 (b) be intoxicated.
- 1746 (11) Each on-premise beer retailer licensee shall display in a prominent place in the
1747 on-premise beer retailer licensee:
- 1748 (a) the on-premise beer retailer license that is issued by the department; and
1749 (b) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
1750 drugs is a serious crime that is prosecuted aggressively in Utah."
- 1751 (12) The following acts or conduct in an on-premise beer retailer outlet licensed under
1752 this part are considered contrary to the public welfare and morals, and are prohibited upon the
1753 premises:
- 1754 (a) employing or using any person in the sale or service of alcoholic beverages while
1755 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
1756 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
1757 buttocks, vulva, or genitals;
- 1758 (b) employing or using the services of any person to mingle with the patrons while the
1759 person is unclothed or in attire, costume, or clothing as described in Subsection (12)(a);
- 1760 (c) encouraging or permitting any person to touch, caress, or fondle the breasts,
1761 buttocks, anus, or genitals of any other person;

1762 (d) permitting any employee or person to wear or use any device or covering, exposed
1763 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;

1764 (e) permitting any person to use artificial devices or inanimate objects to depict any of
1765 the prohibited activities described in this section;

1766 (f) permitting any person to remain in or upon the premises who exposes to public
1767 view any portion of his or her genitals or anus; or

1768 (g) showing films, still pictures, electronic reproductions, or other visual reproductions
1769 depicting:

1770 (i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
1771 copulation, flagellation, or any sexual acts that are prohibited by Utah law;

1772 (ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or
1773 genitals;

1774 (iii) scenes wherein artificial devices or inanimate objects are employed to depict, or
1775 drawings are employed to portray, any of the prohibited activities described in this section; or

1776 (iv) scenes wherein a person displays the vulva or the anus or the genitals.

1777 (13) Nothing in Subsection (12) precludes a local authority from being more restrictive
1778 of acts or conduct of the type prohibited in Subsection (12).

1779 (14) (a) Although live entertainment is permitted on the premises of an on-premise
1780 beer retailer licensee, a licensee may not permit any person to perform or simulate sexual acts
1781 prohibited by Utah law, including sexual intercourse, masturbation, sodomy, bestiality, oral
1782 copulation, flagellation, the touching, caressing, or fondling of the breast, buttocks, anus, or
1783 genitals, or the displaying of the pubic hair, anus, vulva, or genitals. Entertainers shall perform
1784 only upon a stage or at a designated area approved by the commission.

1785 (b) Nothing in Subsection (14)(a) precludes a local authority from being more
1786 restrictive of acts or conduct of the type prohibited in Subsection (14)(a).

1787 (15) An on-premise beer retailer licensee may not on the premises of the on-premise
1788 beer retailer licensee:

1789 (a) engage in or permit any form of gambling, ~~[or]~~ as defined and proscribed in Title
1790 76, Chapter 10, Part 11, Gambling;

1791 (b) have any video gaming device, as defined and proscribed in Title 76, Chapter 10,
1792 Part 11, Gambling~~[-, on the premises of the on-premise beer retailer licensee.]; or~~

1793 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
 1794 ~~H→~~ [or simulates] ~~←H~~ the risking of something of value for a return or for an outcome when the
 1794a return or
 1795 outcome is based upon an element of chance, excluding the playing of an amusement device
 1796 that confers only an immediate and unrecorded right of replay not exchangeable for value.

1797 (16) (a) Each on-premise beer retailer licensee shall maintain accounting and other
 1798 records and documents as the department may require.

1799 (b) Any on-premise beer retailer licensee or person acting for the on-premise beer
 1800 retailer licensee, who knowingly forges, falsifies, alters, cancels, destroys, conceals, or removes
 1801 the entries in any of the books of account or other documents of the on-premise beer retailer
 1802 licensee required to be made, maintained, or preserved by this title or the rules of the
 1803 commission for the purpose of deceiving the commission or the department, or any of their
 1804 officials or employees, is subject to:

1805 (i) the immediate suspension or revocation of the on-premise beer retailer license; and
 1806 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.

1807 (17) An on-premise beer retailer license may not be transferred from one location to
 1808 another, without prior written approval of the commission.

1809 (18) (a) An on-premise beer retailer licensee may not sell, transfer, assign, exchange,
 1810 barter, give, or attempt in any way to dispose of the license to any person, whether for
 1811 monetary gain or not.

1812 (b) An on-premise beer retailer license has no monetary value for the purpose of any
 1813 type of disposition.

1814 Section 8. Section **32A-10-306** is amended to read:

1815 **32A-10-306. Operational restrictions.**

1816 (1) (a) Any person granted a temporary special event beer permit and any person
 1817 involved in the storage, sale, or service of beer at the event for which a temporary special event
 1818 the permit is issued, shall abide by this title, the rules of the commission, and the special
 1819 conditions and requirements provided in this section.

1820 (b) Failure to comply as provided in Subsection (1)(a):

1821 (i) may result in:

1822 (A) an immediate revocation of the permit;

1823 (B) forfeiture of the surety bond; and

- 1824 (C) immediate seizure of all beer present at the event; and
- 1825 (ii) disqualifies the organization from applying for a temporary special event beer
- 1826 permit under this part or a single event permit under Chapter 7, Single Event Permits, for a
- 1827 period of three years from the date of revocation of the temporary special event permit.
- 1828 (c) Any beer seized under this Subsection (1) shall be returned to the organization after
- 1829 the event if forfeiture proceedings are not instituted under Section 32A-13-103.
- 1830 (2) Special conditions and requirements for temporary special event beer permittees
- 1831 include the following:
- 1832 (a) (i) All persons involved in the storage, sale, or service of beer at the temporary
- 1833 special event do so under the supervision and direction of the permittee.
- 1834 (ii) All persons involved in the sale or service of beer at the temporary special event
- 1835 may not, while on duty:
- 1836 (A) consume an alcoholic beverage; or
- 1837 (B) be intoxicated.
- 1838 (b) (i) All beer stored, sold, served, and consumed at the temporary special event shall
- 1839 be purchased by the permittee from a licensed beer wholesaler or retailer.
- 1840 (ii) All beer is considered under the control of the permittee during the temporary
- 1841 special event.
- 1842 (iii) An attendee of the temporary special event may not bring any alcoholic beverages
- 1843 onto the premises of the temporary special event.
- 1844 (c) Each permittee shall post in a prominent place in the area in which beer is being
- 1845 sold, served, and consumed:
- 1846 (i) a copy of the permit; and
- 1847 (ii) a list of the operational restrictions and requirements of temporary special event
- 1848 beer permittees set forth in this section.
- 1849 (d) Beer purchased for a temporary special event may not be stored, sold, served, or
- 1850 consumed in any location other than that described in the application and designated on the
- 1851 temporary special event permit unless the permittee first applies for and receives approval from
- 1852 the commission for a change of location.
- 1853 (e) (i) Subject to Subsection (2)(e)(ii), beer may be sold for on-premise consumption:
- 1854 (A) in an open container; and

1855 (B) on draft.

1856 (ii) Beer sold pursuant to Subsection (2)(e)(i) shall be in a size of container that does
1857 not exceed two liters, except that beer may not be sold to an individual attendee in a size of
1858 container that exceeds one liter.

1859 (f) (i) Beer may not be sold, offered for sale, served, otherwise furnished, or consumed
1860 between the hours of 1 a.m. and 10 a.m.

1861 (ii) This Subsection (2)(f) does not preclude a local authority from being more
1862 restrictive with respect to the hours of sale, service, or consumption of beer at a temporary
1863 special event.

1864 (g) Beer may not be sold, served, or otherwise furnished to any:

1865 (i) minor;

1866 (ii) person actually, apparently, or obviously intoxicated;

1867 (iii) known habitual drunkard; or

1868 (iv) known interdicted person.

1869 (h) (i) Beer may not be sold at less than the cost of the beer to the permittee.

1870 (ii) Beer may not be sold at a price that encourages over consumption or intoxication.

1871 (iii) Beer may not be sold at a special or reduced price for only certain hours of the day
1872 of the permitted event.

1873 (iv) The sale or service of more than one beer beverage for the price of a single beer
1874 beverage is prohibited.

1875 (v) The permittee may not engage in a public promotion involving or offering free beer
1876 to the general public.

1877 (i) The permittee and its employees may not permit an attendee to carry from the
1878 premises an open container that:

1879 (i) is used for drinking purposes; and

1880 (ii) contains any alcoholic beverage.

1881 (j) A minor may not sell, serve, dispense, or handle any beer at a temporary special
1882 event.

1883 (3) The following acts or conduct at an event for which a permit is issued under this
1884 part are considered contrary to the public welfare and morals, and are prohibited upon the
1885 premises:

1886 (a) employing or using any person in the sale or service of alcoholic beverages while
1887 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
1888 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
1889 buttocks, vulva, or genitals;

1890 (b) employing or using the services of any person to mingle with the patrons while the
1891 person is unclothed or in attire, costume, or clothing described in Subsection (3)(a);

1892 (c) encouraging or permitting any person to touch, caress, or fondle the breasts,
1893 buttocks, anus, or genitals of any other person;

1894 (d) permitting any employee or person to wear or use any device or covering, exposed
1895 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;

1896 (e) permitting any person to use artificial devices or inanimate objects to depict any of
1897 the prohibited activities described in this Subsection (3);

1898 (f) permitting any person to remain in or upon the premises who exposes to public
1899 view any portion of his or her genitals or anus; or

1900 (g) showing films, still pictures, electronic reproductions, or other visual reproductions
1901 depicting:

1902 (i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
1903 copulation, flagellation, or any sexual acts prohibited by Utah law;

1904 (ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or
1905 genitals;

1906 (iii) scenes wherein artificial devices or inanimate objects are used to depict, or
1907 drawings are used to portray, any of the prohibited activities described in this Subsection (3); or

1908 (iv) scenes wherein a person displays the vulva, anus, or the genitals.

1909 (4) Nothing in Subsection (3) precludes a local authority from being more restrictive of
1910 acts or conduct of the type prohibited in Subsection (3).

1911 (5) (a) Although live entertainment is permitted at the event for which a permit has
1912 been issued under this chapter, a permittee may not allow any person to perform or simulate
1913 sexual acts prohibited by Utah law, including sexual intercourse, masturbation, sodomy,
1914 bestiality, oral copulation, flagellation, the touching, caressing, or fondling of the breast,
1915 buttocks, anus, or genitals, or the displaying of the pubic hair, anus, vulva, or genitals.

1916 Entertainers shall perform only upon a stage or at a designated area approved by the

1917 commission.

1918 (b) Nothing in Subsection (5)(a) precludes a local authority from being more restrictive
1919 of acts or conduct of the type prohibited in Subsection (5)(a).

1920 (6) The permittee shall maintain an expense and revenue ledger or record showing:

1921 (a) expenditures made for beer; and

1922 (b) the revenue from sale of beer.

1923 (7) A temporary special event beer permit may not be transferred.

1924 (8) A temporary special event beer permittee may not on the premises serviced by the
1925 permittee:

1926 (a) engage in or allow any form of gambling, [~~or~~] as defined and proscribed in Title 76,
1927 Chapter 10, Part 11, Gambling;

1928 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
1929 Part 11, Gambling[~~on the premises serviced by the permittee.]; or~~

1930 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires

1931 ~~H→~~ [~~or simulates~~] ~~←H~~ the risking of something of value for a return or for an outcome when the
1931a return or

1932 outcome is based upon an element of chance, excluding the playing of an amusement device
1933 that confers only an immediate and unrecorded right of replay not exchangeable for value.

1934 Section 9. Section **32A-15a-102** is amended to read:

1935 **32A-15a-102. Definitions.**

1936 (1) As used in this chapter:

1937 (a) "Objecting governmental entity" means:

1938 (i) a local government entity;

1939 (ii) a prosecutor's office; or

1940 (iii) a law enforcement agency.

1941 (b) "Nuisance activity" means:

1942 (i) a judicial finding that a licensed establishment is a common public nuisance under
1943 Section 32A-13-106;

1944 (ii) a single felony conviction within the last two years of:

1945 (A) a retail licensee; or

1946 (B) any supervisory or managerial level employee of the licensee;

1947 (iii) a single conviction under Title 58, Chapter 37, Utah Controlled Substances Act:

1948 (A) (I) of a retail licensee; or
1949 (II) an employee of the licensee;
1950 (B) within the last two years; and
1951 (C) made on the basis of activities that occurred on the licensed premises;
1952 (iv) three or more convictions of patrons of a retail licensee under Title 58, Chapter 37,
1953 Utah Controlled Substances Act, if:
1954 (A) the convictions are made on the basis of activities that occurred on the licensed
1955 premises; and
1956 (B) there is evidence that the licensee knew or should have known of the illegal
1957 activity;
1958 (v) a single conviction within the last two years of a retail licensee or any employee of
1959 the licensee that is made on the basis of:
1960 (A) pornographic and harmful materials:
1961 (I) that are in violation of Title 76, Chapter 10, Part 12, Pornographic and Harmful
1962 Materials and Performances; and
1963 (II) if the violation occurs on the licensed premises;
1964 (B) prostitution;
1965 (C) engaging in or permitting gambling, ~~[or]~~ as defined and proscribed in Title 76,
1966 Chapter 10, Part 11, Gambling, on the licensed premises;
1967 (D) having any video gaming device, as defined and proscribed by Title 76, Chapter
1968 10, Part 11, Gambling, on the licensed premises;
1969 (E) on the licensed premises engaging in or permitting a contest, game, gaming
1970 scheme, or gaming device that requires ~~H→~~ [or simulates] ~~←H~~ the risking of something
1970a of value for a
1971 return or for an outcome when the return or outcome is based upon an element of chance,
1972 excluding the playing of an amusement device that confers only an immediate and unrecorded
1973 right of replay not exchangeable for value;
1974 ~~(F)~~ (F) a disturbance of the peace that occurs on the licensed premises; or
1975 ~~(G)~~ (G) disorderly conduct that occurs on the licensed premises; or
1976 (vi) three or more adjudicated violations of this title within the last two years by a retail
1977 licensee or by the retail licensee’s employees that result in a criminal citation or an
1978 administrative referral to the department relating to:

- 1979 (A) the sale, service, or furnishing of alcohol to a minor;
- 1980 (B) the sale, service, or furnishing of alcohol to a person actually, apparently, or
- 1981 obviously intoxicated;
- 1982 (C) the sale or service of alcohol after lawful sales or service hours; or
- 1983 (D) acts or conduct on the licensed premises contrary to the public welfare and morals
- 1984 involving lewd acts or lewd entertainment prohibited by this title.
- 1985 (2) For purposes of Subsection (1)(b), "retail licensee" means:
- 1986 (a) a person to whom a retail license has been issued by the commission; and
- 1987 (b) in the case of a licensee that is a partnership, corporation, or limited liability
- 1988 company any of the following that is convicted of any offense described in Subsection (1)(b):
- 1989 (i) a partner;
- 1990 (ii) a managing agent;
- 1991 (iii) a manager;
- 1992 (iv) an officer;
- 1993 (v) a director;
- 1994 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of a
- 1995 corporate licensee; or
- 1996 (vii) a member who owns at least 20% of a limited liability company licensee.

Fiscal Note

**H.B. 104 1st Sub. (Buff) - Alcoholic Beverage Licensees and Gambling-like
Activities**

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
