

1 **ALCOHOLIC BEVERAGE CONTROL**

2 **AMENDMENTS**

3 2007 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Peter C. Knudson**

6 House Sponsor: Scott L Wyatt

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies the Alcoholic Beverage Control Act.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ provides for severability;
- 14 ▶ modifies and adds definitions;
- 15 ▶ addresses terms of commissioners;
- 16 ▶ addresses appointment and removal of the director;
- 17 ▶ addresses purchases of alcoholic beverages by the department;
- 18 ▶ addresses disciplinary proceedings and judicial review of those proceedings;
- 19 ▶ adjusts markups by the department and diverts a portion of certain gross sales
- 20 revenues to the school lunch program;
- 21 ▶ repeals the wine and liquor tax;
- 22 ▶ addresses standards for attire, conduct, and entertainment on premises of licensees
- 23 and permittees;
- 24 ▶ addresses minors including:
 - 25 • addressing hiring minors;
 - 26 • addressing admitting minors onto premises; and
 - 27 • addressing unlawful acts by minors;
- 28 ▶ addresses certain licensees and permittees including on-premise banquet licenses,
- 29 on-premise beer retailer, and those holding a permit for industrial or manufacturing

30 use;

- 31 ▶ addresses alcohol-related compliance check investigations;
- 32 ▶ provides for suspension of driving privileges;
- 33 ▶ addresses advertising;
- 34 ▶ removes redundant or out-of-date language; and
- 35 ▶ makes technical and conforming amendments.

36 **Monies Appropriated in this Bill:**

37 None

38 **Other Special Clauses:**

39 This bill has multiple effective dates.

40 **Utah Code Sections Affected:**

41 AMENDS:

- 42 **32A-1-102**, as last amended by Chapter 314, Laws of Utah 2003
- 43 **32A-1-105**, as last amended by Chapter 342, Laws of Utah 2006
- 44 **32A-1-106**, as last amended by Chapter 14, Laws of Utah 2006
- 45 **32A-1-108**, as last amended by Chapter 268, Laws of Utah 2004
- 46 **32A-1-116**, as last amended by Chapter 314, Laws of Utah 2003
- 47 **32A-1-119**, as last amended by Chapters 14 and 162, Laws of Utah 2006
- 48 **32A-1-120**, as renumbered and amended by Chapter 23, Laws of Utah 1990
- 49 **32A-1-122**, as last amended by Chapter 314, Laws of Utah 2003
- 50 **32A-1-401**, as last amended by Chapter 342, Laws of Utah 2006
- 51 **32A-4-102**, as last amended by Chapter 314, Laws of Utah 2003
- 52 **32A-4-106**, as last amended by Chapter 268, Laws of Utah 2004
- 53 **32A-4-206**, as last amended by Chapter 268, Laws of Utah 2004
- 54 **32A-4-303**, as last amended by Chapter 268, Laws of Utah 2004
- 55 **32A-4-307**, as last amended by Chapter 268, Laws of Utah 2004
- 56 **32A-4-401**, as last amended by Chapter 152, Laws of Utah 2005
- 57 **32A-4-402**, as last amended by Chapter 152, Laws of Utah 2005

- 58 **32A-4-406**, as last amended by Chapter 152, Laws of Utah 2005
- 59 **32A-5-102**, as last amended by Chapter 268, Laws of Utah 2004
- 60 **32A-5-107**, as last amended by Chapter 268, Laws of Utah 2004
- 61 **32A-6-301**, as last amended by Chapter 314, Laws of Utah 2003
- 62 **32A-6-302**, as renumbered and amended by Chapter 23, Laws of Utah 1990
- 63 **32A-7-106**, as last amended by Chapter 268, Laws of Utah 2004
- 64 **32A-8-102**, as last amended by Chapter 314, Laws of Utah 2003
- 65 **32A-8-106**, as last amended by Chapter 314, Laws of Utah 2003
- 66 **32A-8-505**, as last amended by Chapter 268, Laws of Utah 2004
- 67 **32A-10-101**, as last amended by Chapter 342, Laws of Utah 2006
- 68 **32A-10-102**, as last amended by Chapter 314, Laws of Utah 2003
- 69 **32A-10-103**, as enacted by Chapter 342, Laws of Utah 2006
- 70 **32A-10-202**, as last amended by Chapter 268, Laws of Utah 2004
- 71 **32A-10-206**, as last amended by Chapter 268, Laws of Utah 2004
- 72 **32A-10-306**, as last amended by Chapter 268, Laws of Utah 2004
- 73 **32A-12-209**, as last amended by Chapter 218, Laws of Utah 2004
- 74 **32A-12-213**, as last amended by Chapter 268, Laws of Utah 2004
- 75 **32A-12-401**, as last amended by Chapter 314, Laws of Utah 2003
- 76 **32A-14a-102**, as renumbered and amended by Chapter 197, Laws of Utah 2000
- 77 **53-3-219**, as last amended by Chapter 161, Laws of Utah 2004
- 78 **62A-15-401**, as last amended by Chapter 342, Laws of Utah 2006
- 79 **76-9-701**, as last amended by Chapter 365, Laws of Utah 1997
- 80 **78-3a-506**, as repealed and reenacted by Chapter 365, Laws of Utah 1997

81 ENACTS:

- 82 **32A-1-601**, Utah Code Annotated 1953
- 83 **32A-1-602**, Utah Code Annotated 1953
- 84 **32A-1-603**, Utah Code Annotated 1953
- 85 **32A-1-604**, Utah Code Annotated 1953

86 32A-12-209.5, Utah Code Annotated 1953

87 REPEALS:

88 59-16-101, as last amended by Chapter 2, Laws of Utah 1988

89 59-16-102, as last amended by Chapter 299, Laws of Utah 1998

90

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

92 Section 1. Section 32A-1-102 is amended to read:

93 **32A-1-102. Application of title -- Severability.**

94 (1) This title governs alcoholic beverage control in this state except where [~~local~~
95 ~~authorities are~~] a local authority is expressly granted regulatory control by this title.

96 (2) Nothing in this title precludes a local [authorities] authority from regulating the
97 sale, storage, service, or consumption of alcoholic beverages if that regulation does not conflict
98 with [~~the provisions of~~] this title.

99 (3) If any provision of this title or the application of any provision to any person or
100 circumstance is held invalid, the remainder of this title shall be given effect without the invalid
101 provision or application. The provisions of this title are severable.

102 Section 2. Section 32A-1-105 is amended to read:

103 **32A-1-105. Definitions.**

104 As used in this title:

105 (1) "Airport lounge" means a place of business licensed to sell alcoholic beverages, at
106 retail, for consumption on its premises located at an international airport with a United States
107 Customs office on the premises of the international airport.

108 (2) "Alcoholic beverages" means "beer" and "liquor" as the terms are defined in this
109 section.

110 (3) (a) "Alcoholic products" means all products that:

111 (i) contain:

112 (A) at least 63/100 of 1% of alcohol by volume; or

113 (B) at least 1/2 of 1% by weight; and

114 (ii) are obtained by fermentation, infusion, decoction, brewing, distillation, or any other
115 process that uses any liquid or combinations of liquids, whether drinkable or not, to create
116 alcohol in an amount greater than the amount prescribed in Subsection (3)(a)(i).

117 (b) "Alcoholic products" does not include any of the following common items that
118 otherwise come within the definition of alcoholic products:

- 119 (i) extracts;
- 120 (ii) vinegars;
- 121 (iii) ciders;
- 122 (iv) essences;
- 123 (v) tinctures;
- 124 (vi) food preparations; or
- 125 (vii) over-the-counter drugs and medicines.

126 (4) "Bar" means a counter or similar structure:

- 127 (a) at which alcoholic beverages are:
 - 128 (i) stored; or
 - 129 (ii) dispensed; or
- 130 (b) from which alcoholic beverages are served.

131 (5) (a) "Beer" means any product that:

132 (i) contains 63/100 of 1% of alcohol by volume or 1/2 of 1% of alcohol by weight, but
133 not more than 4% of alcohol by volume or 3.2% by weight; and

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

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

136 (c) Beer includes a product that:

137 (i) contains alcohol in the percentages described in Subsection (5)(a); and

138 (ii) is referred to as:

- 139 (A) malt liquor;
- 140 (B) malted beverages; or
- 141 (C) malt coolers.

- 142 (6) (a) "Beer retailer" means ~~[any]~~ a business ~~[establishment]~~ that is:
- 143 (i) engaged, primarily or incidentally, in the retail sale of beer to ~~[public]~~ patrons,
- 144 whether for consumption on or off the ~~[establishment's]~~ business premises; and
- 145 (ii) licensed to sell beer by:
- 146 (A) the commission;
- 147 (B) a local authority; or
- 148 (C) both the commission and a local authority.
- 149 (b) (i) "Off-premise beer retailer" means a ~~[general food store or similar]~~ business that
- 150 is engaged in the retail sale of beer to ~~[public]~~ patrons for consumption off the beer retailer's
- 151 premises.
- 152 (ii) "Off-premise beer retailer" does not include an on-premise beer retailer.
- 153 (c) ~~[(†)]~~ "On-premise beer retailer" means ~~[any beer retailer engaged, primarily or~~
- 154 ~~incidentally;]~~ a business that is engaged in the sale of beer to ~~[public]~~ patrons for consumption
- 155 on the beer retailer's premises, regardless of whether the business sells beer for consumption
- 156 off the beer retailer's premises.
- 157 ~~[(†) "On-premise beer retailer" includes a tavern.]~~
- 158 (7) "Billboard" means any public display used to advertise including:
- 159 (a) a light device;
- 160 (b) a painting;
- 161 (c) a drawing;
- 162 (d) a poster;
- 163 (e) a sign;
- 164 (f) a signboard; or
- 165 (g) a scoreboard.
- 166 (8) "Brewer" means any person engaged in manufacturing beer.
- 167 (9) "Cash bar" means the service of alcoholic beverages:
- 168 (a) at:
- 169 (i) a banquet; or

- 170 (ii) a temporary event for which a permit is issued under this title; and
- 171 (b) if an attendee at the banquet or temporary event is charged for the alcoholic
- 172 beverage.
- 173 (10) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
- 174 a bus company to a group of persons pursuant to a common purpose:
- 175 (a) under a single contract;
- 176 (b) at a fixed charge in accordance with the bus company's tariff; and
- 177 (c) for the purpose of giving the group of persons the exclusive use of the bus and a
- 178 driver to travel together to a specified destination or destinations.
- 179 (11) "Church" means a building:
- 180 (a) set apart for the purpose of worship;
- 181 (b) in which religious services are held;
- 182 (c) with which clergy is associated; and
- 183 (d) which is tax exempt under the laws of this state.
- 184 (12) "Club" and "private club" means any of the following organized primarily for the
- 185 benefit of its members:
- 186 (a) a social club;
- 187 (b) a recreational association;
- 188 (c) a fraternal association;
- 189 (d) an athletic association; or
- 190 (e) a kindred association.
- 191 (13) "Commission" means the Alcoholic Beverage Control Commission.
- 192 (14) "Department" means the Department of Alcoholic Beverage Control.
- 193 (15) "Distressed merchandise" means any alcoholic beverage in the possession of the
- 194 department that is saleable, but for some reason is unappealing to the public.
- 195 ~~[(16) "General food store" means any business establishment primarily engaged in~~
- 196 ~~selling food and grocery supplies to public patrons for off-premise consumption.]~~
- 197 ~~[(17)]~~ (16) "Guest" means a person accompanied by an active member or visitor of a

198 club who enjoys only those privileges derived from the host for the duration of the visit to the
199 club.

200 ~~[(18)]~~ (17) (a) "Heavy beer" means any product that:

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

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

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

204 ~~[(19)]~~ (18) "Hosted bar" means the service of alcoholic beverages:

205 (a) without charge; and

206 (b) at a:

207 (i) banquet; or

208 (ii) privately hosted event.

209 ~~[(20)]~~ (19) "Identification card" means the identification card issued under Title 53,
210 Chapter 3, Part 8, Identification Card Act.

211 ~~[(21)]~~ (20) "Interdicted person" means a person to whom the sale, gift, or provision of
212 an alcoholic beverage is prohibited by:

213 (a) law; or

214 (b) court order.

215 ~~[(22)]~~ (21) "Intoxicated" means that to a degree that is unlawful under Section
216 76-9-701 a person is under the influence of:

217 (a) an alcoholic beverage;

218 (b) a controlled substance;

219 (c) a substance having the property of releasing toxic vapors; or

220 (d) a combination of Subsections ~~[(22)]~~ (21)(a) through (c).

221 ~~[(23)]~~ (22) "Licensee" means any person issued a license by the commission to sell,
222 manufacture, store, or allow consumption of alcoholic beverages on premises owned or
223 controlled by the person.

224 ~~[(24)]~~ (23) "Limousine" means any motor vehicle licensed by the state or a local
225 authority, other than a bus or taxicab:

226 (a) in which the driver and passengers are separated by a partition, glass, or other
227 barrier; and

228 (b) that is provided by a company to an individual or individuals at a fixed charge in
229 accordance with the company's tariff for the purpose of giving the individual or individuals the
230 exclusive use of the limousine and a driver to travel to a specified destination or destinations.

231 [~~25~~] (24) (a) "Liquor" means alcohol, or any alcoholic, spirituous, vinous, fermented,
232 malt, or other liquid, or combination of liquids, a part of which is spirituous, vinous, or
233 fermented, and all other drinks, or drinkable liquids that contain more than 1/2 of 1% of
234 alcohol by volume and is suitable to use for beverage purposes.

235 (b) "Liquor" does not include any beverage defined as a beer, malt liquor, or malted
236 beverage that has an alcohol content of less than 4% alcohol by volume.

237 [~~26~~] (25) "Local authority" means:

238 (a) the governing body of the county if the premises are located in an unincorporated
239 area of a county; or

240 (b) the governing body of the city or town if the premises are located in an incorporated
241 city or a town.

242 [~~27~~] (26) "Manufacture" means to distill, brew, rectify, mix, compound, process,
243 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to
244 others.

245 [~~28~~] (27) "Member" means a person who, after paying regular dues, has full
246 privileges of a club under this title.

247 [~~29~~] (28) (a) "Military installation" means a base, air field, camp, post, station, yard,
248 center, or homeport facility for any ship:

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

250 (B) of the National Guard;

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

252 (iii) including any leased facility.

253 (b) "Military installation" does not include any facility used primarily for:

- 254 (i) civil works;
- 255 (ii) rivers and harbors projects; or
- 256 (iii) flood control projects.
- 257 [~~(30)~~] (29) "Minor" means any person under the age of 21 years.
- 258 (30) "Nude," "nudity," or "state of nudity" means:
- 259 (a) the appearance of:
- 260 (i) the nipple or areola of a female human breast;
- 261 (ii) a human genital;
- 262 (iii) a human pubic area; or
- 263 (iv) a human anus; or
- 264 (b) a state of dress that fails to opaquely cover:
- 265 (i) the nipple or areola of a female human breast;
- 266 (ii) a human genital;
- 267 (iii) a human pubic area; or
- 268 (iv) a human anus.
- 269 (31) "Outlet" means a location other than a state store or package agency where
- 270 alcoholic beverages are sold pursuant to a license issued by the commission.
- 271 (32) "Package" means any of the following containing liquor:
- 272 (a) a container;
- 273 (b) a bottle;
- 274 (c) a vessel; or
- 275 (d) other receptacle.
- 276 (33) "Package agency" means a retail liquor location operated under a contractual
- 277 agreement with the department, by a person other than the state, who is authorized by the
- 278 commission to sell package liquor for consumption off the premises of the agency.
- 279 (34) "Package agent" means any person permitted by the commission to operate a
- 280 package agency pursuant to a contractual agreement with the department to sell liquor from
- 281 premises that the package agent shall provide and maintain.

282 (35) "Permittee" means any person issued a permit by the commission to perform acts
283 or exercise privileges as specifically granted in the permit.

284 (36) "Person" means any individual, partnership, firm, corporation, limited liability
285 company, association, business trust, or other form of business enterprise, including a receiver
286 or trustee, and the plural as well as the singular number, unless the intent to give a more limited
287 meaning is disclosed by the context.

288 (37) "Premises" means any building, enclosure, room, or equipment used in connection
289 with the sale, storage, service, manufacture, distribution, or consumption of alcoholic products,
290 unless otherwise defined in this title or in the rules adopted by the commission.

291 (38) "Prescription" means a writing in legal form, signed by a physician or dentist and
292 given to a patient for obtaining an alcoholic beverage for medicinal purposes only.

293 (39) (a) "Privately hosted event" or "private social function" means a specific social,
294 business, or recreational event for which an entire room, area, or hall has been leased or rented,
295 in advance by an identified group, and the event or function is limited in attendance to people
296 who have been specifically designated and their guests.

297 (b) "Privately hosted event" and "private social function" does not include events or
298 functions to which the general public is invited, whether for an admission fee or not.

299 (40) "Proof of age" means:

300 (a) an identification card;

301 (b) an identification that:

302 (i) is substantially similar to an identification card;

303 (ii) is issued in accordance with the laws of a state other than Utah in which the
304 identification is issued;

305 (iii) includes date of birth; and

306 (iv) has a picture affixed;

307 (c) a valid driver license certificate that:

308 (i) includes date of birth;

309 (ii) has a picture affixed; and

- 310 (iii) is issued:
- 311 (A) under Title 53, Chapter 3, Uniform Driver License Act; or
- 312 (B) in accordance with the laws of the state in which it is issued;
- 313 (d) a military identification card that:
- 314 (i) includes date of birth; and
- 315 (ii) has a picture affixed; or
- 316 (e) a valid passport.
- 317 (41) (a) "Public building" means any building or permanent structure owned or leased
- 318 by the state, a county, or local government entity that is used for:
- 319 (i) public education;
- 320 (ii) transacting public business; or
- 321 (iii) regularly conducting government activities.
- 322 (b) "Public building" does not mean or refer to any building owned by the state or a
- 323 county or local government entity when the building is used by anyone, in whole or in part, for
- 324 proprietary functions.
- 325 (42) "Representative" means an individual who is compensated by salary, commission,
- 326 or any other means for representing and selling the alcoholic beverage products of a
- 327 manufacturer, supplier, or importer of liquor, wine, or heavy beer.
- 328 (43) "Residence" means the person's principal place of abode within Utah.
- 329 (44) "Restaurant" means any business establishment:
- 330 (a) where a variety of foods is prepared and complete meals are served to the general
- 331 public;
- 332 (b) located on a premises having adequate culinary fixtures for food preparation and
- 333 dining accommodations; and
- 334 (c) that is engaged primarily in serving meals to the general public.
- 335 (45) "Retailer" means any person engaged in the sale or distribution of alcoholic
- 336 beverages to the consumer.
- 337 (46) (a) "Sample" includes:

338 (i) a department sample; and

339 (ii) an industry representative sample.

340 (b) "Department sample" means liquor, wine, and heavy beer that has been placed in
341 the possession of the department for testing, analysis, and sampling.

342 (c) "Industry representative sample" means liquor, wine, and heavy beer that has been
343 placed in the possession of the department for testing, analysis, and sampling by local industry
344 representatives on the premises of the department to educate the local industry representatives
345 of the quality and characteristics of the product.

346 (47) (a) "School" means any building used primarily for the general education of
347 minors.

348 (b) "School" does not include:

349 (i) a nursery school;

350 (ii) an infant day care center; or

351 (iii) a trade or technical school.

352 (48) "Sell," "sale," and "to sell" means any transaction, exchange, or barter whereby,
353 for any consideration, an alcoholic beverage is either directly or indirectly transferred, solicited,
354 ordered, delivered for value, or by any means or under any pretext is promised or obtained,
355 whether done by a person as a principal, proprietor, or as an agent, servant, or employee, unless
356 otherwise defined in this title or the rules made by the commission.

357 (49) "Seminude," "seminudity," or "state of seminudity" means a state of dress in
358 which opaque clothing covers no more than:

359 (a) the nipple and areola of the female human breast in a shape and color other than the
360 natural shape and color of the nipple and areola; and

361 (b) the human genitals, pubic area, and anus:

362 (i) with no less than the following at its widest point:

363 (A) four inches coverage width in the front of the human body; and

364 (B) five inches coverage width in the back of the human body; and

365 (ii) with coverage that does not taper to less than one inch wide at the narrowest point.

366 (50) "Sexually oriented entertainer" means a person who while in a state of seminudity
367 appears at or performs:

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

369 (b) on the premises of:

370 (i) a class D private club as defined in Subsection 32A-5-101(3); or

371 (ii) a tavern;

372 (c) on behalf of or at the request of the licensee described in Subsection (50)(b);

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

374 (e) whether or not the person is designated:

375 (i) an employee of the licensee described in Subsection (50)(b);

376 (ii) an independent contractor of the licensee described in Subsection (50)(b);

377 (iii) an agent of the licensee described in Subsection (50)(b); or

378 (iv) otherwise of the licensee described in Subsection (50)(b).

379 ~~[(49)]~~ (51) "Small brewer" means a brewer who manufactures less than 60,000 barrels
380 of beer and heavy beer per year.

381 ~~[(50)]~~ (52) (a) "Spirituous liquor" means liquor that is distilled.

382 (b) "Spirituous liquor" includes an alcohol product defined as a "distilled spirit" by 27
383 U.S.C. 211 and 27 C.F.R. Sections 5.11 through 5.23.

384 ~~[(51)]~~ (53) (a) "State label" means the official label designated by the commission
385 affixed to all liquor containers sold in the state.

386 (b) "State label" includes the department identification mark and inventory control
387 number.

388 ~~[(52)]~~ (54) (a) "State store" means a facility for the sale of package liquor:

389 (i) located on premises owned or leased by the state; and

390 (ii) operated by state employees.

391 (b) "State store" does not apply to any:

392 (i) licensee;

393 (ii) permittee; or

- 394 (iii) package agency.
- 395 [~~(53)~~] (55) "Supplier" means any person selling alcoholic beverages to the department.
- 396 [~~(54)~~] (56) (a) "Tavern" means any business establishment that is:
 - 397 (i) engaged primarily in the retail sale of beer to public patrons for consumption on the
 - 398 establishment's premises; and
 - 399 (ii) licensed to sell beer under Chapter 10, Part 2, On-Premise Beer Retailer Licenses.
- 400 (b) "Tavern" includes the following if the revenue from the sale of beer exceeds the
- 401 revenue of the sale of food, although food need not be sold in the establishment:
 - 402 (i) a beer bar;
 - 403 (ii) a parlor;
 - 404 (iii) a lounge;
 - 405 (iv) a cabaret; or
 - 406 (v) a nightclub.
- 407 [~~(55)~~] (57) "Temporary domicile" means the principal place of abode within Utah of a
- 408 person who does not have a present intention to continue residency within Utah permanently or
- 409 indefinitely.
- 410 [~~(56)~~] (58) "Unsaleable liquor merchandise" means merchandise that:
 - 411 (a) is unsaleable because the merchandise is:
 - 412 (i) unlabeled;
 - 413 (ii) leaky;
 - 414 (iii) damaged;
 - 415 (iv) difficult to open; or
 - 416 (v) partly filled;
 - 417 (b) is in a container:
 - 418 (i) having faded labels or defective caps or corks;
 - 419 (ii) in which the contents are:
 - 420 (A) cloudy;
 - 421 (B) spoiled; or

- 422 (C) chemically determined to be impure; or
- 423 (iii) that contains:
- 424 (A) sediment; or
- 425 (B) any foreign substance; or
- 426 (c) is otherwise considered by the department as unfit for sale.

427 [~~57~~] (59) "Visitor" means an individual that in accordance with Section 32A-5-107
 428 holds limited privileges in a private club by virtue of a visitor card.

429 [~~58~~] (60) "Warehouser" means any person, other than a licensed manufacturer,
 430 engaged in the importation for sale, storage, or distribution of liquor regardless of amount.

431 [~~59~~] (61) "Wholesaler" means any person engaged in the importation for sale, or in
 432 the sale of beer in wholesale or jobbing quantities to retailers, other than a small brewer selling
 433 beer manufactured by that brewer.

434 [~~60~~] (62) (a) "Wine" means any alcoholic beverage obtained by the fermentation of
 435 the natural sugar content of fruits, plants, honey, or milk, or any other like substance, whether
 436 or not other ingredients are added.

437 (b) "Wine" is considered "liquor" for purposes of this title, except as otherwise
 438 provided in this title.

439 Section 3. Section **32A-1-106** is amended to read:

440 **32A-1-106. Alcoholic Beverage Control Commission -- Membership -- Oaths and**
 441 **bond -- Per diem -- Offices -- Removal -- Meetings.**

442 (1) The Alcoholic Beverage Control Commission shall act as a governing board over
 443 the Department of Alcoholic Beverage Control.

444 (2) (a) The commission is composed of five part-time commissioners appointed by the
 445 governor with the consent of the Senate.

446 (b) No more than three commissioners may be of the same political party.

447 (3) (a) Except as required by Subsection (3)(b), as terms of current [~~commission~~
 448 ~~members~~] commissioners expire, the governor shall appoint each new [~~member~~] commissioner
 449 or reappointed [~~member~~] commissioner to a four-year term.

450 (b) Notwithstanding the requirements of Subsection (3)(a), the governor shall, at the
451 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
452 ~~[commission members are staggered so that approximately half of the commission is appointed~~
453 ~~every two years]~~ no more than two commissioners expire in a fiscal year.

454 (4) When a vacancy occurs in the ~~[membership]~~ commission for any reason, the
455 replacement shall be appointed for the unexpired term with the consent of the Senate.

456 (5) Each commissioner shall qualify by taking the oath of office and by giving bond to
457 the state for faithful performance of duties in an amount determined by the Division of
458 Finance, and in a form approved by the attorney general. The bond premium shall be paid by
459 the state.

460 (6) (a) ~~[Members shall receive no]~~ A commissioner may not receive compensation or
461 benefits for ~~[their]~~ the commissioner's services, but may receive per diem and expenses
462 incurred in the performance of the ~~[member's]~~ commissioner's official duties at the rates
463 established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

464 (b) ~~[Members]~~ A commissioner may decline to receive per diem and expenses for
465 ~~[their]~~ the commissioner's service.

466 (7) (a) The commission shall elect one of its members to serve as chair, another to
467 serve as vice chair, and other commission officers as it considers advisable, all of whom shall
468 serve at the pleasure of the commission.

469 (b) All ~~[members of]~~ commissioners on the commission have equal voting rights on all
470 commission matters when in attendance at a commission meeting.

471 (c) Three ~~[members]~~ commissioners of the commission is a quorum for conducting
472 commission business.

473 (d) A majority vote of the quorum present is required for any action to be taken by the
474 commission.

475 (8) (a) (i) The governor may remove any commissioner from office for cause after a
476 public hearing conducted by the governor or by an impartial hearing examiner appointed by the
477 governor to conduct the hearing.

478 (ii) The commissioner shall receive written notice of the date, time, and place of the
479 hearing along with the alleged grounds for the removal at least ten days before the hearing.
480 The commissioner shall have the opportunity to attend the hearing, present witnesses and other
481 evidence, and confront and cross examine witnesses.

482 (b) Following the hearing, written findings of fact and conclusions of law shall be
483 prepared by the person conducting the hearing and a copy served upon the commissioner. If
484 the hearing is before a hearing examiner, the hearing examiner shall also issue a written
485 recommendation to the governor.

486 (c) The commissioner shall have five days to file written objections to the
487 recommendation before the governor issues a final order. The governor's order shall be in
488 writing and served upon the commissioner.

489 (9) (a) The commission shall meet at least monthly, but may hold other meetings at
490 times and places as scheduled by the commission, by the chair, or by any three commissioners
491 upon filing a written request for a meeting with the chair.

492 (b) Notice of the time and place of each commission meeting shall be given to each
493 commissioner, and to the public in compliance with Title 52, Chapter 4, Open and Public
494 Meetings Act. All commission meetings shall be open to the public, except those meetings or
495 portions of meetings that are closed by the commission as authorized by Sections 52-4-204 and
496 52-4-205.

497 Section 4. Section **32A-1-108** is amended to read:

498 **32A-1-108. Director of alcoholic beverage control.**

499 (1) (a) The commission by a vote of four of the five commissioners, with the approval
500 of the governor, shall appoint a director of alcoholic beverage control who is the administrative
501 head of the department.

502 (b) The director serves at the pleasure of the commission, except that the director may
503 only be removed from office by a vote of four commissioners.

504 ~~(b)~~ (c) The director may not be a member of the commission.

505 ~~(c)~~ (d) The director shall:

506 (i) be qualified in administration ~~[and];~~
507 (ii) ~~be~~ knowledgeable by experience and training in the field of business management;
508 and ~~[shall]~~
509 (iii) possess any other qualifications prescribed by the commission.
510 ~~[(2)(a) The director shall qualify by:]~~
511 ~~[(i) taking the oath of office; and]~~
512 ~~[(ii) giving a bond for the faithful performance of the director's duties in an amount~~
513 ~~determined by the Division of Finance and in form approved by the attorney general.]~~
514 ~~[(b) The bond premium for the bond required by Subsection (2)(a) shall be paid by the~~
515 ~~state:]~~
516 ~~[(3)]~~ (2) The director's compensation shall be established by the governor within the
517 salary range fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation.
518 ~~[(4)]~~ (3) The director shall:
519 (a) carry out the policies of the commission and those of the department;
520 (b) keep the commission fully informed of all operations and administrative activities
521 of the department; and
522 (c) assist the commission in the proper discharge of its duties and responsibilities.
523 ~~[(5)(a) The director may be removed from office for cause by a majority vote of the~~
524 ~~commission after a public hearing before the full commission.]~~
525 ~~[(b) The director shall receive written notice of:]~~
526 ~~[(i) the date, time, and place of the hearing; and]~~
527 ~~[(ii) the alleged grounds for removal at least ten days before the hearing:]~~
528 ~~[(c) The director shall be afforded the opportunity to:]~~
529 ~~[(i) attend the hearing;]~~
530 ~~[(ii) present witnesses and other evidence; and]~~
531 ~~[(iii) confront and cross examine witnesses:]~~
532 ~~[(d) Following the hearing, written findings of fact, conclusions of law, and the final~~
533 ~~order of the commission shall be issued and served upon the director:]~~

534 Section 5. Section 32A-1-116 is amended to read:

535 **32A-1-116. Purchase of liquor.**

536 (1) The department may not purchase or stock [~~alcoholic beverages~~] spirituous liquor
537 in containers smaller than 200 [~~ml.~~] milliliters except as otherwise allowed by the commission.

538 (2) (a) Each order by the department for the purchase of spirituous liquor, wine, or
539 heavy beer, or any cancellation by the department of an order for spirituous liquor, wine, or
540 heavy beer:

541 (i) shall be executed in writing by the department; and

542 (ii) is not valid or binding unless executed in writing.

543 (b) A copy of each order or cancellation shall be kept on file by the department for at
544 least three years.

545 (c) An electronic record satisfies Subsections (2)(a) and (b) pursuant to Title 46,
546 Chapter 4, Uniform Electronic Transactions Act.

547 Section 6. Section 32A-1-119 is amended to read:

548 **32A-1-119. Disciplinary proceedings -- Procedure.**

549 (1) (a) As used in this section and Section 32A-1-120, "disciplinary proceeding" means
550 an adjudicative proceeding permitted under this title:

551 (i) against:

552 (A) a permittee;

553 (B) a licensee;

554 (C) a manufacturer;

555 (D) a supplier;

556 (E) an importer;

557 (F) an out-of-state brewer holding a certificate of approval under Section 32A-8-101;

558 or

559 (G) an officer, employee, or agent of;

560 (I) a person listed in Subsections (1)(a)(i)(A) through (F); [and] or

561 (II) a package agent; and

562 (ii) that is brought on the basis of a violation of this title.

563 (b) As used in Subsection (4), "final adjudication" means an adjudication for which a
564 final unappealable judgment or order has been issued.

565 (2) (a) The following may conduct adjudicative proceedings to inquire into any matter
566 necessary and proper for the administration of this title and rules adopted under this title:

567 (i) the commission;

568 (ii) a hearing examiner appointed by the commission for the purposes provided in
569 Subsection 32A-1-107(3);

570 (iii) the director; and

571 (iv) the department.

572 (b) Except as provided in this section or Section 32A-3-106, the following shall
573 comply with the procedures and requirements of Title 63, Chapter 46b, Administrative
574 Procedures Act, in adjudicative proceedings:

575 (i) the commission;

576 (ii) a hearing examiner appointed by the commission;

577 (iii) the director; and

578 (iv) the department.

579 (c) Except where otherwise provided by law, all adjudicative proceedings before the
580 commission or its appointed hearing examiner shall be:

581 (i) video or audio recorded; and

582 (ii) subject to Subsection (5)(e), conducted in accordance with Title 52, Chapter 4,
583 Open and Public Meetings Act.

584 (d) All adjudicative proceedings concerning departmental personnel shall be conducted
585 in accordance with Title 67, Chapter 19, Utah State Personnel Management Act.

586 (e) All hearings that are informational, fact gathering, and nonadversarial in nature
587 shall be conducted in accordance with rules, policies, and procedures promulgated by the
588 commission, director, or department.

589 (3) (a) A disciplinary proceeding shall be conducted under the authority of the

590 commission, which is responsible for rendering a final decision and order on any disciplinary
591 matter.

592 (b) (i) Nothing in this section precludes the commission from appointing necessary
593 officers, including hearing examiners, from within or without the department, to administer the
594 disciplinary proceeding process.

595 (ii) A hearing examiner appointed by the commission:

596 (A) may conduct a disciplinary proceeding hearing on behalf of the commission; and

597 (B) shall submit to the commission a report including:

598 (I) findings of fact determined on the basis of a preponderance of the evidence
599 presented at the hearing;

600 (II) conclusions of law; and

601 (III) recommendations.

602 (c) Nothing in this section precludes the commission, after [it] the commission has
603 rendered its final decision and order, from having the director prepare, issue, and cause to be
604 served on the parties the final written order on behalf of the commission.

605 (4) (a) The department may initiate a disciplinary proceeding described in Subsection
606 (4)(b) when the department receives:

607 (i) a report from any government agency, peace officer, examiner, or investigator
608 alleging that any person listed in Subsections (1)(a)(i)(A) through (G) has violated this title or
609 the rules of the commission;

610 (ii) a final adjudication of criminal liability against any person listed in Subsections
611 (1)(a)(i)(A) through (G) based on an alleged violation of this title; or

612 (iii) a final adjudication of civil liability under Chapter 14a, Alcoholic Beverage
613 Liability, against any person listed in Subsections (1)(a)(i)(A) through (G) based on an alleged
614 violation of this title.

615 (b) The department may initiate a disciplinary proceeding if the department receives an
616 item listed in Subsection (4)(a) to determine:

617 (i) whether any person listed in Subsections (1)(a)(i)(A) through (G) violated this title

618 or rules of the commission; and
619 (ii) if a violation is found, the appropriate sanction to be imposed.
620 (5) (a) Unless waived by the respondent, a disciplinary proceeding shall be held:
621 (i) if required by law;
622 (ii) before revoking or suspending any permit, license, or certificate of approval issued
623 under this title; or
624 (iii) before imposing a fine against any person listed in Subsections (1)(a)(i)(A)
625 through (G).
626 (b) Inexcusable failure of a respondent to appear at a scheduled disciplinary proceeding
627 hearing after receiving proper notice is an admission of the charged violation.
628 (c) The validity of a disciplinary proceeding is not affected by the failure of any person
629 to attend or remain in attendance.
630 (d) All disciplinary proceeding hearings shall be presided over by the commission or an
631 appointed hearing examiner.
632 (e) A disciplinary proceeding hearing may be closed only after the commission or
633 hearing examiner makes a written finding that the public interest in an open hearing is clearly
634 outweighed by factors enumerated in the closure order.
635 (f) (i) The commission or its hearing examiner as part of a disciplinary proceeding
636 hearing may:
637 (A) administer oaths or affirmations;
638 (B) take evidence;
639 (C) take depositions within or without this state; and
640 (D) require by subpoena from any place within this state:
641 (I) the testimony of any person at a hearing; and
642 (II) the production of any books, records, papers, contracts, agreements, documents, or
643 other evidence considered relevant to the inquiry.
644 (ii) A person subpoenaed in accordance with this Subsection (5)(f) shall testify and
645 produce any books, papers, documents, or tangible things as required in the subpoena.

646 (iii) Any witness subpoenaed or called to testify or produce evidence who claims a
647 privilege against self-incrimination may not be compelled to testify, but the commission or the
648 hearing examiner shall file a written report with the county attorney or district attorney in the
649 jurisdiction where the privilege was claimed or where the witness resides setting forth the
650 circumstance of the claimed privilege.

651 (iv) (A) A person is not excused from obeying a subpoena without just cause.

652 (B) Any district court within the judicial district in which a person alleged to be guilty
653 of willful contempt of court or refusal to obey a subpoena is found or resides, upon application
654 by the party issuing the subpoena, may issue an order requiring the person to:

655 (I) appear before the issuing party; and

656 (II) (Aa) produce documentary evidence if so ordered; or

657 (Bb) give evidence regarding the matter in question.

658 (C) Failure to obey an order of the court may be punished by the court as contempt.

659 (g) (i) In all disciplinary proceeding hearings heard by a hearing examiner, the hearing
660 examiner shall prepare a report required by Subsection (3)(b)(ii) to the commission.

661 (ii) The report required by Subsection (3)(b)(ii) and this Subsection (5)(g) may not
662 recommend a penalty more severe than that initially sought by the department in the notice of
663 agency action.

664 (iii) A copy of the report required by Subsection (3)(b)(ii) and this Subsection (5)(g)
665 shall be served upon the respective parties.

666 (iv) The respondent and the department shall be given reasonable opportunity to file
667 any written objections to the report required by Subsection (3)(b)(ii) and this Subsection (5)(g)
668 before final commission action.

669 (h) In all cases heard by the commission, it shall issue its final decision and order in
670 accordance with Subsection (3).

671 (6) (a) The commission shall:

672 (i) render a final decision and order on any disciplinary action; and

673 (ii) cause its final order to be prepared in writing, issued, and served on all parties.

674 (b) Any order of the commission is considered final on the date the order becomes
675 effective.

676 (c) If the commission is satisfied that a person listed in Subsections (1)(a)(i)(A)
677 through (G) has committed a violation of this title or the commission's rules, in accordance
678 with Title 63, Chapter 46b, Administrative Procedures Act, the commission may:

- 679 (i) suspend or revoke the permit, license, or certificate of approval;
- 680 (ii) impose a fine against a person listed in Subsections (1)(a)(i)(A) through (G);
- 681 (iii) assess the administrative costs of any ~~hearing~~ disciplinary proceeding to the
682 permittee, the licensee, or certificate holder; or
- 683 (iv) any combination of Subsections (6)(c)(i) through (iii).

684 (d) A fine imposed in accordance with this Subsection (6) is subject to Subsections
685 32A-1-107(1)(p) and (4).

686 (e) (i) If a permit or license is suspended under this Subsection (6), a sign provided by
687 the department shall be prominently posted:

- 688 (A) during the suspension;
- 689 (B) by the permittee or licensee; and
- 690 (C) at the entrance of the premises of the permittee or licensee.

691 (ii) The sign required by this Subsection (6)(e) shall:

- 692 (A) read "The Utah Alcoholic Beverage Control Commission has suspended the
693 alcoholic beverage license or permit of this establishment. Alcoholic beverages may not be
694 sold, served, furnished, or consumed on these premises during the period of suspension."; and
- 695 (B) include the dates of the suspension period.

696 (iii) A permittee or licensee may not remove, alter, obscure, or destroy a sign required
697 to be posted under this Subsection (6)(e) during the suspension period.

698 (f) If a permit or license is revoked, the commission may order the revocation of any
699 compliance bond posted by the permittee or licensee.

700 (g) Any permittee or licensee whose permit or license is revoked may not reapply for a
701 permit or license under this title for three years from the date on which the permit or license is

702 revoked.

703 (h) All costs assessed by the commission shall be transferred into the General Fund in
704 accordance with Section 32A-1-113.

705 (7) (a) In addition to any action taken against a permittee, licensee, or certificate holder
706 under this section, the department may initiate disciplinary action against an officer, employee,
707 or agent of a permittee, licensee, or certificate holder.

708 (b) If any officer, employee, or agent is found to have violated this title, the
709 commission may prohibit the officer, employee, or agent from serving, selling, distributing,
710 manufacturing, wholesaling, warehousing, or handling alcoholic beverages in the course of
711 employment with any permittee, licensee, or certificate holder under this title for a period
712 determined by the commission.

713 (8) (a) The department may initiate a disciplinary proceeding for an alleged violation of
714 this title or the rules of the commission against:

715 (i) a manufacturer, supplier, or importer of alcoholic beverages; or

716 (ii) an officer, employee, agent, or representative of a person listed in Subsection
717 (8)(a)(i).

718 (b) (i) If the commission makes the finding described in Subsection (8)(b)(ii), the
719 commission may, in addition to other penalties prescribed by this title, order:

720 (A) the removal of the manufacturer's, supplier's, or importer's products from the
721 department's sales list; and

722 (B) a suspension of the department's purchase of the products described in Subsection
723 (8)(b)(i)(A) for a period determined by the commission.

724 (ii) The commission may take the action described in Subsection (8)(b)(i) if:

725 (A) any manufacturer, supplier, or importer of liquor, wine, or heavy beer or its officer,
726 employee, agent, or representative violates any provision of this title; and

727 (B) the manufacturer, supplier, or importer:

728 (I) directly committed the violation; or

729 (II) solicited, requested, commanded, encouraged, or intentionally aided another to

730 engage in the violation.

731 (9) (a) The department may initiate a disciplinary proceeding against a brewer holding
732 a certificate of approval under Section 32A-8-101 for an alleged violation of this title or the
733 rules of the commission.

734 (b) If the commission makes a finding that the brewer holding a certificate of approval
735 violates this title or rules of the commission, the commission may take any action against the
736 brewer holding a certificate of approval that the commission could take against a licensee
737 including:

738 (i) suspension or revocation of the certificate of approval; and

739 (ii) imposition of a fine.

740 (10) (a) If a respondent requests a disciplinary proceeding hearing, the hearing held by
741 the commission or a hearing examiner appointed by the commission shall proceed formally in
742 accordance with Sections 63-46b-6 through 63-46b-11 in any case where:

743 (i) the alleged violation poses, or potentially poses, a grave risk to public safety, health,
744 and welfare;

745 (ii) the alleged violation involves:

746 (A) selling, serving, or otherwise furnishing alcoholic products to a minor;

747 (B) attire, conduct, or entertainment prohibited by Part 6, Attire, Conduct, and

748 Entertainment Act;

749 (C) fraud, deceit, willful concealment, or misrepresentation of the facts by or on behalf
750 of the respondent;

751 (D) interfering or refusing to cooperate with:

752 (I) an authorized official of the department or the state in the discharge of the official's
753 duties in relation to the enforcement of this title; or

754 (II) a peace officer in the discharge of the peace officer's duties in relation to the
755 enforcement of this title;

756 (E) an unlawful trade practice under Sections 32A-12-601 through 32A-12-606;

757 (F) unlawful importation of alcoholic products; or

758 (G) unlawful supply of liquor by a liquor industry member, as defined in Subsection
759 32A-12-601(2), to any person other than the department or a military installation, except to the
760 extent permitted by this title; or

761 (iii) the department determines to seek in a disciplinary proceeding hearing:

762 (A) an administrative fine exceeding \$3,000;

763 (B) a suspension of a license, permit, or certificate of approval of more than ten days;

764 or

765 (C) a revocation of a license, permit, or certificate of approval.

766 (b) The commission shall make rules in accordance with Title 63, Chapter 46a, Utah
767 Administrative Rulemaking Act, to provide a procedure to implement this Subsection (10).

768 Section 7. Section **32A-1-120** is amended to read:

769 **32A-1-120. Judicial review -- Enforcement.**

770 (1) In a disciplinary proceeding, ~~[any party named]~~ as defined in Section 32A-1-119, a
771 respondent found in a final order of the commission to have violated this title or rules of the
772 commission made under this title may seek judicial review in a court of competent jurisdiction
773 pursuant to the judicial review provisions of Sections 63-46b-14 through 63-46b-18.

774 ~~[(2) (a) The findings of the commission on questions of fact are final and are not~~
775 ~~subject to review.]~~

776 ~~[(b) "Questions of fact" include ultimate facts and findings and conclusions of the~~
777 ~~commission on reasonableness and discretion.]~~

778 ~~[(3) After the hearing, the reviewing court shall enter judgment affirming or setting~~
779 ~~aside the order of the commission.]~~

780 ~~[(4) (a) The fact that a petition is pending in a reviewing court does not stay or suspend~~
781 ~~the operation of any order of the commission.]~~

782 ~~[(b) The reviewing court may order that the commission's order be stayed or suspended~~
783 ~~during the appeal.]~~

784 ~~[(c) Before issuing an order staying or suspending the commission's order, the~~
785 ~~reviewing court shall:]~~

786 ~~[(i) give three days' notice to the parties; and]~~

787 ~~[(ii) hold a hearing to receive argument and evidence on whether or not the~~

788 ~~commission's order should be stayed or suspended.]~~

789 ~~[(d) If the reviewing court decides to stay or suspend the commission's order, it shall~~

790 ~~make a written finding that:]~~

791 ~~[(i) great or irreparable damage would result to the petitioner absent the stay or~~

792 ~~suspension;]~~

793 ~~[(ii) specifies the nature of the damage; and]~~

794 ~~[(iii) is based upon evidence submitted to the court and identified by reference.]~~

795 (2) Notwithstanding Subsection 63-46b-16(4)(g), an appellate court may not grant

796 relief on the basis that a finding of fact by the commission in a formal disciplinary proceeding

797 is not supported, if the commission's finding of fact is supported by any evidence of substance

798 in the record of the formal disciplinary proceeding when viewed in light of the whole record

799 before the court.

800 (3) In addition to any other remedy provided by law, the commission may seek

801 enforcement of a commission order in a disciplinary proceeding by seeking civil enforcement

802 in a state district court in accordance with Section 63-46b-19.

803 Section 8. Section **32A-1-122** is amended to read:

804 **32A-1-122. Liquor prices -- School lunch program.**

805 (1) For purposes of this section:

806 (a) "Landed case cost" means:

807 (i) the cost of the product; and

808 (ii) inbound shipping costs incurred by the department.

809 (b) "Landed case cost" does not include the outbound shipping cost from a warehouse

810 of the department to a state store.

811 ~~[(+)]~~ (2) (a) Except as provided in Subsections (2)(b) and [(3)] (c), all spirituous liquor

812 and wine sold by the department within the state shall be marked up in an amount not less than

813 ~~[64.5%]~~ 86% above the landed case cost to the department.

814 ~~[(2)]~~ (b) All spirituous liquor and wine sold by the department to military installations
815 in Utah shall be marked up in an amount not less than 15% above the landed case cost to the
816 department.

817 ~~[(3)]~~ (c) If a wine manufacturer producing less than 20,000 gallons of wine in any
818 calendar year, as verified by the department pursuant to federal or other verifiable production
819 reports, first applies to the department for a reduced markup, all wine ~~[sold in Utah by the wine~~
820 ~~manufacturer]~~ produced by the wine manufacturer and sold to the department shall be marked
821 up by the department in an amount not less than ~~[30%]~~ 47% above the landed case cost to the
822 department.

823 (3) (a) Except as provided in Subsection (3)(b), all heavy beer sold by the department
824 within the state shall be marked up in an amount not less than 64.5% above the landed case
825 cost to the department.

826 (b) All heavy beer sold by the department to military installations in Utah shall be
827 marked up in an amount not less than 15% above the landed case cost to the department.

828 (4) Ten percent of the total gross revenue from sales of spiritous liquor, wine, and
829 heavy beer shall be deposited by the department with the state treasurer and credited to the
830 Uniform School Fund to be used to support the school lunch program administered by the State
831 Board of Education under Section 53A-19-201.

832 ~~[(4)]~~ (5) Nothing in this section prohibits the department from selling discontinued
833 ~~[lines]~~ items at a discount.

834 Section 9. Section **32A-1-401** is amended to read:

835 **32A-1-401. Alcohol training and education -- Revocation, suspension, or**
836 **nonrenewal of licenses.**

837 (1) The commission may suspend, revoke, or not renew the license of any licensee
838 licensed by the commission if any of the following individuals, as defined in Section
839 62A-15-401, fail to complete an alcohol training and education seminar required in Section
840 62A-15-401:

841 (a) an individual who manages operations at the premises of the licensee engaged in the

842 retail sale of alcoholic beverages for consumption on the premises of the licensee;

843 (b) an individual who supervises the serving of alcoholic beverages to a customer for
844 consumption on the premises of the licensee; or

845 (c) an individual who serves alcoholic beverages to a customer for consumption on the
846 premises of the licensee.

847 (2) A city, town, or county in which an establishment conducts its business may
848 suspend, revoke, or not renew the business license of the establishment if any individual
849 described in Subsection (1) fails to complete an alcohol training and education seminar
850 required in Section 62A-15-401.

851 (3) A local authority that issues an off-premise beer retailer license to a [~~general food~~
852 ~~store or similar~~] business that is engaged in the retail sale of beer for consumption off the beer
853 retailer's premises may immediately suspend the license if any of the following individuals fail
854 to complete an alcohol training and education seminar required in Sections 32A-10-103 and
855 62A-15-401, an individual who:

856 (a) directly supervises the sale of beer to a customer for consumption off the premises
857 of the off-premise beer retailer licensee; or

858 (b) sells beer to a customer for consumption off the premises of the off-premise beer
859 retailer licensee.

860 Section 10. Section **32A-1-601** is enacted to read:

861 **Part 6. Attire, Conduct, and Entertainment Act**

862 **32A-1-601. Title -- Purpose -- Application to other laws.**

863 (1) This part is known as the "Attire, Conduct, and Entertainment Act."

864 (2) This part establishes reasonable and uniform time, place, and manner of operation
865 restrictions relating to attire, conduct, and sexually oriented entertainers on a premises or at an
866 event at which alcoholic beverages are sold, served, or allowed to be consumed under a retail
867 license or permit issued by the commission so as to:

868 (a) reduce the adverse secondary effects that the attire, conduct, and sexually oriented
869 entertainers may have upon communities of this state; and

870 (b) protect the health, peace, safety, welfare, and morals of the residents of
871 communities of this state.

872 (3) Nothing in this part permits or allows the showing or display of any matter that is
873 contrary to:

874 (a) applicable federal or state statutes prohibiting obscenity; or

875 (b) state statutes relating to lewdness or indecent public displays.

876 (4) A local authority may be more restrictive of attire, conduct, or sexually oriented
877 entertainers of the type prohibited in this part.

878 Section 11. Section **32A-1-602** is enacted to read:

879 **32A-1-602. General restrictions on attire and conduct.**

880 The following attire and conduct on a premises or at an event regulated by the
881 commission under this title are considered contrary to the public health, peace, safety, welfare,
882 and morals, and are prohibited:

883 (1) employing or using a person in the sale or service of alcoholic beverages while the
884 person is in:

885 (a) a state of nudity;

886 (b) a state of seminudity; or

887 (c) attire, costume, or clothing that exposes to view any portion of:

888 (i) the female breast below the top of the areola; or

889 (ii) the cleft of the buttocks;

890 (2) employing or using the services of a person to mingle with patrons while the person
891 is in:

892 (a) a state of nudity;

893 (b) a state of seminudity; or

894 (c) attire, costume, or clothing that exposes to view any portion of:

895 (i) the female breast below the top of the areola; or

896 (ii) the cleft of the buttocks;

897 (3) encouraging or permitting a person to:

- 898 (a) engage in or simulate an act of:
- 899 (i) sexual intercourse;
- 900 (ii) masturbation;
- 901 (iii) sodomy;
- 902 (iv) bestiality;
- 903 (v) oral copulation;
- 904 (vi) flagellation; or
- 905 (vii) a sexual act that is prohibited by Utah law; or
- 906 (b) touch, caress, or fondle the breast, buttocks, anus, or genitals of any other person;
- 907 (4) permitting a person to wear or use a device or covering that:
- 908 (a) is exposed to view; and
- 909 (b) simulates all or any portion of the human genitals, anus, pubic area, or female
- 910 breast;
- 911 (5) permitting a person to use an artificial device or inanimate object to depict an act
- 912 prohibited by this section;
- 913 (6) permitting a person to remain on a premises or at an event who exposes to public
- 914 view any portion of that person's:
- 915 (a) genitals, pubic area, or anus; or
- 916 (b) in the case of a female, the areola and nipple of the breast; or
- 917 (7) showing a film, still picture, electronic reproduction, or other visual reproduction
- 918 depicting:
- 919 (a) an act or simulated act of:
- 920 (i) sexual intercourse;
- 921 (ii) masturbation;
- 922 (iii) sodomy;
- 923 (iv) bestiality;
- 924 (v) oral copulation;
- 925 (vi) flagellation; or

- 926 (vii) a sexual act that is prohibited by Utah law;
927 (b) a person being touched, caressed, or fondled on the breast, buttocks, anus, or
928 genitals;
929 (c) a scene wherein an artificial device or inanimate object is employed to depict, or a
930 drawing is employed to portray, an act prohibited by this section; or
931 (d) a scene wherein a person displays the genitals or anus.

932 Section 12. Section **32A-1-603** is enacted to read:

933 **32A-1-603. Sexually oriented entertainer.**

934 (1) Subject to the restrictions of this section, live entertainment is permitted on a
935 premises or at an event regulated by the commission.

936 (2) Notwithstanding Subsection (1), a licensee or permittee may not permit a person to:

937 (a) appear or perform in a state of nudity;

938 (b) perform or simulate an act of:

939 (i) sexual intercourse;

940 (ii) masturbation;

941 (iii) sodomy;

942 (iv) bestiality;

943 (v) oral copulation;

944 (vi) flagellation; or

945 (v) a sexual act that is prohibited by Utah law; or

946 (c) touch, caress, or fondle the breast, buttocks, anus, or genitals.

947 (3) A sexually oriented entertainer may perform in a state of seminudity:

948 (a) only in a tavern or class D private club; and

949 (b) only if:

950 (i) all windows, doors, and other apertures to the premises are darkened or otherwise

951 constructed to prevent anyone outside the premises from seeing the performance; and

952 (ii) the outside entrance doors of the premises remain unlocked.

953 (4) A sexually oriented entertainer may perform only upon a stage or in a designated

954 performance area that is:

955 (a) approved by the commission in accordance with rules made by the commission in
956 accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act;

957 (b) configured so as to preclude a patron from:

958 (i) touching the sexually oriented entertainer; or

959 (ii) placing any money or object on or within the costume or the person of the sexually
960 oriented entertainer; and

961 (c) configured so as to preclude the sexually oriented entertainer from touching a
962 patron.

963 (5) A sexually oriented entertainer may not touch a patron:

964 (a) during the sexually oriented entertainer's performance; or

965 (b) while the sexually oriented entertainer is dressed in performance attire or costume.

966 (6) A sexually oriented entertainer, while in the portion of the premises used by
967 patrons, must be dressed in opaque clothing which covers and conceals the sexually oriented
968 entertainer's performance attire or costume from the top of the breast to the knee.

969 (7) A patron may not be on the stage or in the performance area while a sexually
970 oriented entertainer is appearing or performing on the stage or in the performance area.

971 (8) A patron may not:

972 (a) touch a sexually oriented entertainer:

973 (i) during the sexually oriented entertainer's performance; or

974 (ii) while the sexually oriented entertainer is dressed in performance attire or costume;

975 or

976 (b) place money or any other object on or within the costume or the person of the
977 sexually oriented entertainer.

978 (9) A minor may not be on a premises described in Subsection (3) when a sexually
979 oriented entertainer is performing on the premises.

980 (10) A person who appears or performs for the entertainment of patrons on a premises
981 or at an event regulated by the commission that is not a tavern or class D private club:

982 (a) may not appear or perform in a state of nudity or a state of seminudity; and
983 (b) may appear or perform in opaque clothing that completely covers the person's
984 genitals, pubic area, and anus if the covering:

985 (i) is not less than the following at its widest point:
986 (A) four inches coverage width in the front of the human body; and
987 (B) five inches coverage width in the back of the human body;
988 (ii) does not taper to less than one inch wide at the narrowest point; and
989 (iii) if covering a female, completely covers the breast below the top of the areola.

990 Section 13. Section **32A-1-604** is enacted to read:

991 **32A-1-604. Compliance -- Disciplinary proceeding.**

992 (1) Each person granted a license or permit by the commission to sell, serve, or allow
993 consumption of alcoholic beverages on a premises or at an event and each officer, employee, or
994 agent of the licensee or permittee shall comply with the conditions and requirements of this
995 part.

996 (2) Failure to comply with this part may result in a disciplinary proceeding pursuant to
997 Section 32A-1-119 against:

998 (a) a licensee or permittee; and
999 (b) an officer, employee, or agent of the licensee or permittee.

1000 Section 14. Section **32A-4-102** is amended to read:

1001 **32A-4-102. Application and renewal requirements.**

1002 (1) A person seeking a restaurant liquor license under this part shall file a written
1003 application with the department, in a form prescribed by the department. It shall be
1004 accompanied by:

1005 (a) a nonrefundable \$250 application fee;
1006 (b) an initial license fee of \$1,750, which is refundable if a license is not granted;
1007 (c) written consent of the local authority;
1008 (d) a copy of the applicant's current business license;
1009 (e) evidence of proximity to any public or private school, church, public library, public

1010 playground, or park, and if the proximity is within the 600 foot or 200 foot limitation of
1011 Subsections 32A-4-101(4) and (5), the application shall be processed in accordance with those
1012 subsections;

1013 (f) a bond as specified by Section 32A-4-105;

1014 (g) a floor plan of the restaurant, including consumption areas and the area where the
1015 applicant proposes to keep, store, and sell liquor;

1016 (h) evidence that the restaurant is carrying public liability insurance in an amount and
1017 form satisfactory to the department;

1018 (i) evidence that the restaurant is carrying dramshop insurance coverage of at least
1019 \$500,000 per occurrence and \$1,000,000 in the aggregate;

1020 (j) a signed consent form stating that the restaurant will permit any authorized
1021 representative of the commission, department, or any law enforcement officer unrestricted right
1022 to enter the restaurant;

1023 (k) in the case of an applicant that is a partnership, corporation, or limited liability
1024 company, proper verification evidencing that the person or persons signing the restaurant
1025 application are authorized to so act on behalf of the partnership, corporation, or limited liability
1026 company; and

1027 (l) any other information the commission or department may require.

1028 (2) (a) All restaurant liquor licenses expire on October 31 of each year.

1029 (b) Persons desiring to renew their restaurant liquor license shall by no later than
1030 September 30 submit:

1031 (i) a completed renewal application to the department; and

1032 (ii) a renewal fee in the following amount:

Gross Cost of Liquor in Previous License Year for the Licensee	Renewal Fee
under \$5,000	\$750
equals or exceeds \$5,000 but less than \$10,000	\$900
equals or exceeds \$10,000 but less than \$25,000	\$1,250
equals or exceeds \$25,000	\$1,500[-]

1038 (c) Failure to meet the renewal requirements shall result in an automatic forfeiture of
1039 the license effective on the date the existing license expires.

1040 (d) Renewal applications shall be in a form as prescribed by the department.

1041 (3) To ensure compliance with Subsection 32A-4-106[~~(28)~~] (25), the commission may
1042 suspend or revoke any restaurant liquor license if the restaurant liquor licensee does not
1043 immediately notify the department of any change in:

1044 (a) ownership of the restaurant;

1045 (b) for a corporate owner, the:

1046 (i) corporate officers or directors; or

1047 (ii) shareholders holding at least 20% of the total issued and outstanding stock of the
1048 corporation; or

1049 (c) for a limited liability company:

1050 (i) managers; or

1051 (ii) members owning at least 20% of the limited liability company.

1052 Section 15. Section **32A-4-106** is amended to read:

1053 **32A-4-106. Operational restrictions.**

1054 Each person granted a restaurant liquor license and the employees and management
1055 personnel of the restaurant shall comply with the following conditions and requirements.

1056 Failure to comply may result in a suspension or revocation of the license or other disciplinary
1057 action taken against individual employees or management personnel.

1058 (1) (a) Liquor may not be purchased by a restaurant liquor licensee except from state
1059 stores or package agencies.

1060 (b) Liquor purchased may be transported by the restaurant liquor licensee from the
1061 place of purchase to the licensed premises.

1062 (c) Payment for liquor shall be made in accordance with rules established by the
1063 commission.

1064 (2) A restaurant liquor licensee may sell or provide a primary spirituous liquor only in
1065 a quantity not to exceed one ounce per beverage dispensed through a calibrated metered

1066 dispensing system approved by the department in accordance with commission rules adopted
1067 under this title, except that:

1068 (a) spirituous liquor need not be dispensed through a calibrated metered dispensing
1069 system if used as a secondary flavoring ingredient in a beverage subject to the following
1070 restrictions:

1071 (i) the secondary ingredient may be dispensed only in conjunction with the purchase of
1072 a primary spirituous liquor;

1073 (ii) the secondary ingredient is not the only spirituous liquor in the beverage;

1074 (iii) the restaurant liquor licensee shall designate a location where flavorings are stored
1075 on the floor plan provided to the department; and

1076 (iv) all flavoring containers shall be plainly and conspicuously labeled "flavorings";

1077 (b) spirituous liquor need not be dispensed through a calibrated metered dispensing
1078 system if used:

1079 (i) as a flavoring on desserts; and

1080 (ii) in the preparation of flaming food dishes, drinks, and desserts;

1081 (c) each restaurant patron may have no more than 2.75 ounces of spirituous liquor at a
1082 time; and

1083 (d) each restaurant patron may have no more than one spirituous liquor drink at a time
1084 before the patron.

1085 (3) (a) (i) Wine may be sold and served by the glass or in an individual portion not to
1086 exceed five ounces per glass or individual portion.

1087 (ii) An individual portion of wine may be served to a patron in more than one glass as
1088 long as the total amount of wine does not exceed five ounces.

1089 (iii) An individual portion of wine is considered to be one alcoholic beverage under
1090 Subsection (7)(e).

1091 (b) (i) Wine may be sold and served in containers not exceeding 1.5 liters at prices
1092 fixed by the commission to tables of four or more persons.

1093 (ii) Wine may be sold and served in containers not exceeding 750 [mf] milliliters at

1094 prices fixed by the commission to tables of less than four persons.

1095 (c) A wine service may be performed and a service charge assessed by the restaurant as
1096 authorized by commission rule for wine purchased at the restaurant.

1097 (4) (a) Heavy beer may be served in original containers not exceeding one liter at prices
1098 fixed by the commission.

1099 (b) A service charge may be assessed by the restaurant as authorized by commission
1100 rule for heavy beer purchased at the restaurant.

1101 (5) (a) (i) Subject to Subsection (5)(a)(ii), a restaurant licensed to sell liquor may sell
1102 beer for on-premise consumption:

1103 (A) in an open container; and

1104 (B) on draft.

1105 (ii) Beer sold pursuant to Subsection (5)(a)(i) shall be in a size of container that does
1106 not exceed two liters, except that beer may not be sold to an individual patron in a size of
1107 container that exceeds one liter.

1108 (b) A restaurant licensed under this chapter that sells beer pursuant to Subsection
1109 (5)(a):

1110 (i) may do so without obtaining a separate on-premise beer retailer license from the
1111 commission; and

1112 (ii) shall comply with all appropriate operational restrictions under Chapter 10, Beer
1113 Retailer Licenses, that apply to on-premise beer retailers except when those restrictions are
1114 inconsistent with or less restrictive than the operational restrictions under this part.

1115 (c) Failure to comply with the operational restrictions under Chapter 10, Beer Retailer
1116 Licenses, required by Subsection (5)(b) may result in a suspension or revocation of the
1117 restaurant's:

1118 (i) state liquor license; and

1119 (ii) alcoholic beverage license issued by the local authority.

1120 (6) Alcoholic beverages may not be stored, served, or sold in any place other than as
1121 designated in the licensee's application, unless the licensee first applies for and receives

1122 approval from the department for a change of location within the restaurant.

1123 (7) (a) (i) A patron may only make alcoholic beverage purchases in the restaurant from
1124 and be served by a person employed, designated, and trained by the licensee to sell and serve
1125 alcoholic beverages.

1126 (ii) Notwithstanding Subsection (7)(a)(i), a patron who has purchased bottled wine
1127 from an employee of the restaurant or has carried bottled wine onto the premises of the
1128 restaurant pursuant to Subsection (14) may thereafter serve wine from the bottle to the patron
1129 or others at the patron's table.

1130 (b) Alcoholic beverages shall be delivered by a server to the patron.

1131 (c) Any alcoholic beverage may only be consumed at the patron's table or counter.

1132 (d) Alcoholic beverages may not be served to or consumed by a patron at a bar.

1133 (e) Each restaurant patron may have no more than two alcoholic beverages of any kind
1134 at a time before the patron, subject to the limitation in Subsection (2)(d).

1135 (8) The liquor storage area shall remain locked at all times other than those hours and
1136 days when liquor sales are authorized by law.

1137 (9) (a) Liquor may not be sold, offered for sale, served, or otherwise furnished at a
1138 restaurant during the following days or hours:

1139 (i) until after the polls are closed on the day of any:

1140 (A) regular general election;

1141 (B) regular primary election; or

1142 (C) statewide special election;

1143 (ii) until after the polls are closed on the day of any municipal, special district, or
1144 school election, but only:

1145 (A) within the boundaries of the municipality, special district, or school district; and

1146 (B) if required by local ordinance; and

1147 (iii) on any other day after 12 midnight and before 12 noon.

1148 (b) The hours of beer sales and service are those specified in Chapter 10, Beer Retailer
1149 Licenses, for on-premise beer licensees.

1150 (10) Alcoholic beverages may not be sold except in connection with an order for food
1151 prepared, sold, and served at the restaurant.

1152 (11) Alcoholic beverages may not be sold, served, or otherwise furnished to any:

1153 (a) minor;

1154 (b) person actually, apparently, or obviously intoxicated;

1155 (c) known habitual drunkard; or

1156 (d) known interdicted person.

1157 (12) (a) (i) Liquor may be sold only at prices fixed by the commission.

1158 (ii) Liquor may not be sold at discount prices on any date or at any time.

1159 (b) An alcoholic beverage may not be sold at less than the cost of the alcoholic
1160 beverage to the licensee.

1161 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
1162 over consumption or intoxication.

1163 (d) An alcoholic beverage may not be sold at a special or reduced price for only certain
1164 hours of the restaurant's business day such as a "happy hour."

1165 (e) The sale or service of more than one alcoholic beverage for the price of a single
1166 alcoholic beverage is prohibited.

1167 (f) The sale or service of an indefinite or unlimited number of alcoholic beverages
1168 during any set period for a fixed price is prohibited.

1169 (g) A restaurant licensee may not engage in a public promotion involving or offering
1170 free alcoholic beverages to the general public.

1171 (13) Alcoholic beverages may not be purchased for a patron of a restaurant by:

1172 (a) the licensee; or

1173 (b) any employee or agent of the licensee.

1174 (14) (a) A person may not bring onto the premises of a restaurant liquor licensee any
1175 alcoholic beverage for on-premise consumption, except a person may bring, subject to the
1176 discretion of the licensee, bottled wine onto the premises of any restaurant liquor licensee for
1177 on-premise consumption.

1178 (b) Except bottled wine under Subsection (14)(a), a restaurant liquor licensee or its
1179 officers, managers, employees, or agents may not allow:

1180 (i) a person to bring onto the restaurant premises any alcoholic beverage for on-premise
1181 consumption; or

1182 (ii) consumption of any such alcoholic beverage on its premises.

1183 (c) If bottled wine is carried in by a patron, the patron shall deliver the wine to a server
1184 or other representative of the licensee upon entering the restaurant.

1185 (d) A wine service may be performed and a service charge assessed by the restaurant as
1186 authorized by commission rule for wine carried in by a patron.

1187 (15) (a) Except as provided in Subsection (15)(b), a restaurant licensee and its
1188 employees may not permit a restaurant patron to carry from the restaurant premises an open
1189 container that:

1190 (i) is used primarily for drinking purposes; and

1191 (ii) contains any alcoholic beverage.

1192 (b) Notwithstanding Subsection (15)(a), a restaurant patron may remove from the
1193 restaurant the unconsumed contents of a bottle of wine purchased in the restaurant, or brought
1194 onto the premises of the restaurant in accordance with Subsection (14), provided the bottle has
1195 been recorked or recapped before removal.

1196 (16) (a) A minor may not be employed by a restaurant licensee to sell or dispense
1197 alcoholic beverages.

1198 (b) Notwithstanding Subsection (16)(a), a minor who is at least 16 years of age may be
1199 employed to enter the sale at a cash register or other sales recording device.

1200 (17) An employee of a restaurant liquor licensee, while on duty, may not:

1201 (a) consume an alcoholic beverage; or

1202 (b) be intoxicated.

1203 (18) Any charge or fee made in connection with the sale, service, or consumption of
1204 liquor may be stated in food or alcoholic beverage menus including:

1205 (a) a set-up charge;

1206 (b) a service charge; or

1207 (c) a chilling fee.

1208 (19) Each restaurant liquor licensee shall display in a prominent place in the restaurant:

1209 (a) the liquor license that is issued by the department;

1210 (b) a list of the types and brand names of liquor being served through its calibrated
1211 metered dispensing system; and

1212 (c) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
1213 drugs is a serious crime that is prosecuted aggressively in Utah."

1214 ~~[(20) The following acts or conduct in a restaurant licensed under this chapter are
1215 considered contrary to the public welfare and morals, and are prohibited upon the premises:]~~

1216 ~~[(a) employing or using any person in the sale or service of alcoholic beverages while
1217 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
1218 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
1219 buttocks, vulva, or genitals;]~~

1220 ~~[(b) employing or using the services of any person to mingle with the patrons while the
1221 person is unclothed or in attire, costume, or clothing described in Subsection (20)(a);]~~

1222 ~~[(c) encouraging or permitting any person to touch, caress, or fondle the breasts,
1223 buttocks, anus, or genitals of any other person;]~~

1224 ~~[(d) permitting any employee or person to wear or use any device or covering, exposed
1225 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;]~~

1226 ~~[(e) permitting any person to use artificial devices or inanimate objects to depict any of
1227 the prohibited activities described in this Subsection (20);]~~

1228 ~~[(f) permitting any person to remain in or upon the premises who exposes to public
1229 view any portion of that person's genitals or anus; or]~~

1230 ~~[(g) showing films, still pictures, electronic reproductions, or other visual
1231 reproductions depicting;]~~

1232 ~~[(i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
1233 copulation, flagellation, or any sexual acts prohibited by Utah law;]~~

1234 ~~[(ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or~~
1235 ~~genitals;]~~

1236 ~~[(iii) scenes wherein artificial devices or inanimate objects are used to depict, or~~
1237 ~~drawings are used to portray, any of the prohibited activities described in this Subsection (20);~~
1238 ~~or]~~

1239 ~~[(iv) scenes wherein a person displays the vulva or the anus or the genitals.]~~

1240 ~~[(21) Nothing in Subsection (20) precludes a local authority from being more~~
1241 ~~restrictive of acts or conduct of the type prohibited in Subsection (20).]~~

1242 ~~[(22) (a) Although live entertainment is permitted on the premises of a restaurant liquor~~
1243 ~~licensee, a licensee may not allow any person to perform or simulate sexual acts prohibited by~~
1244 ~~Utah law, including sexual intercourse, masturbation, sodomy, bestiality, oral copulation,~~
1245 ~~flagellation, the touching, caressing, or fondling of the breast, buttocks, anus, or genitals, or the~~
1246 ~~displaying of the pubic hair, anus, vulva, or genitals. Entertainers shall perform only upon a~~
1247 ~~stage or at a designated area approved by the commission.]~~

1248 ~~[(b) Nothing in Subsection (22)(a) precludes a local authority from being more~~
1249 ~~restrictive of acts or conduct of the type prohibited in Subsection (22)(a).]~~

1250 ~~[(23)]~~ (20) A restaurant liquor licensee may not engage in or permit any form of
1251 gambling, or have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
1252 Part 11, Gambling, on the premises of the restaurant liquor licensee.

1253 ~~[(24)]~~ (21) (a) Each restaurant liquor licensee shall maintain an expense ledger or
1254 record showing in detail:

1255 (i) quarterly expenditures made separately for:

1256 (A) malt or brewed beverages;

1257 (B) set-ups;

1258 (C) liquor;

1259 (D) food; and

1260 (E) all other items required by the department; and

1261 (ii) sales made separately for:

- 1262 (A) malt or brewed beverages;
- 1263 (B) set-ups;
- 1264 (C) food; and
- 1265 (D) all other items required by the department.
- 1266 (b) The record required by Subsection [~~(24)~~] (21)(a) shall be kept:
- 1267 (i) in a form approved by the department; and
- 1268 (ii) current for each three-month period.
- 1269 (c) Each expenditure shall be supported by:
- 1270 (i) delivery tickets;
- 1271 (ii) invoices;
- 1272 (iii) receipted bills;
- 1273 (iv) canceled checks;
- 1274 (v) petty cash vouchers; or
- 1275 (vi) other sustaining data or memoranda.
- 1276 (d) In addition to a ledger or record required under Subsection [~~(24)~~] (21)(a), a
- 1277 restaurant liquor licensee shall maintain accounting and other records and documents as the
- 1278 department may require.
- 1279 (e) Any restaurant or person acting for the restaurant, who knowingly forges, falsifies,
- 1280 alters, cancels, destroys, conceals, or removes the entries in any of the books of account or
- 1281 other documents of the restaurant required to be made, maintained, or preserved by this title or
- 1282 the rules of the commission for the purpose of deceiving the commission or the department, or
- 1283 any of their officials or employees, is subject to:
- 1284 (i) the suspension or revocation of the restaurant's liquor license; and
- 1285 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.
- 1286 [~~(25)~~] (22) (a) A restaurant liquor licensee may not close or cease operation for a
- 1287 period longer than 240 hours, unless:
- 1288 (i) the restaurant liquor licensee notifies the department in writing at least seven days
- 1289 before the closing; and

- 1290 (ii) the closure or cessation of operation is first approved by the department.
- 1291 (b) Notwithstanding Subsection [~~(25)~~] (22)(a), in the case of emergency closure,
1292 immediate notice of closure shall be made to the department by telephone.
- 1293 (c) The department may authorize a closure or cessation of operation for a period not to
1294 exceed 60 days. The department may extend the initial period an additional 30 days upon
1295 written request of the restaurant licensee and upon a showing of good cause. A closure or
1296 cessation of operation may not exceed a total of 90 days without commission approval.
- 1297 (d) Any notice shall include:
- 1298 (i) the dates of closure or cessation of operation;
- 1299 (ii) the reason for the closure or cessation of operation; and
- 1300 (iii) the date on which the licensee will reopen or resume operation.
- 1301 (e) Failure of the licensee to provide notice and to obtain department authorization
1302 prior to closure or cessation of operation shall result in an automatic forfeiture of:
- 1303 (i) the license; and
- 1304 (ii) the unused portion of the license fee for the remainder of the license year effective
1305 immediately.
- 1306 (f) Failure of the licensee to reopen or resume operation by the approved date shall
1307 result in an automatic forfeiture of:
- 1308 (i) the license; and
- 1309 (ii) the unused portion of the license fee for the remainder of the license year.
- 1310 [~~(26)~~] (23) Each restaurant liquor licensee shall maintain at least 70% of its total
1311 restaurant business from the sale of food, which does not include mix for alcoholic beverages
1312 or service charges.
- 1313 [~~(27)~~] (24) A restaurant liquor license may not be transferred from one location to
1314 another, without prior written approval of the commission.
- 1315 [~~(28)~~] (25) (a) A person, having been granted a restaurant liquor license may not sell,
1316 transfer, assign, exchange, barter, give, or attempt in any way to dispose of the license to any
1317 other person whether for monetary gain or not.

1318 (b) A restaurant liquor license has no monetary value for the purpose of any type of
1319 disposition.

1320 [~~(29)~~] (26) Each server of alcoholic beverages in a licensee's establishment shall keep a
1321 written beverage tab for each table or group that orders or consumes alcoholic beverages on the
1322 premises. The beverage tab shall list the type and amount of alcoholic beverages ordered or
1323 consumed.

1324 [~~(30)~~] (27) A person's willingness to serve alcoholic beverages may not be made a
1325 condition of employment as a server with a restaurant that has a restaurant liquor license.

1326 Section 16. Section **32A-4-206** is amended to read:

1327 **32A-4-206. Operational restrictions.**

1328 Each person granted an airport lounge liquor license and the employees and
1329 management personnel of the airport lounge shall comply with the following conditions and
1330 requirements. Failure to comply may result in a suspension or revocation of the license or
1331 other disciplinary action taken against individual employees or management personnel.

1332 (1) (a) Liquor may not be purchased by an airport lounge liquor licensee except from
1333 state stores or package agencies.

1334 (b) Liquor purchased may be transported by the licensee from the place of purchase to
1335 the licensed premises.

1336 (c) Payment for liquor shall be made in accordance with the rules established by the
1337 commission.

1338 (2) An airport lounge liquor licensee may sell or provide a primary spirituous liquor
1339 only in a quantity not to exceed one ounce per beverage dispensed through a calibrated metered
1340 dispensing system approved by the department in accordance with commission rules adopted
1341 under this title, except that:

1342 (a) spirituous liquor need not be dispensed through a calibrated metered dispensing
1343 system if used as a secondary flavoring ingredient in a beverage subject to the following
1344 restrictions:

1345 (i) the secondary ingredient may be dispensed only in conjunction with the purchase of

1346 a spirituous primary liquor;

1347 (ii) the secondary ingredient is not the only spirituous liquor in the beverage;

1348 (iii) the airport lounge liquor licensee shall designate a location where flavorings are

1349 stored on the floor plan provided to the department; and

1350 (iv) all flavoring containers shall be plainly and conspicuously labeled "flavorings";

1351 (b) spirituous liquor need not be dispensed through a calibrated metered dispensing

1352 system if used:

1353 (i) as a flavoring on desserts; and

1354 (ii) in the preparation of flaming food dishes, drinks, and desserts; and

1355 (c) each airport lounge patron may have no more than 2.75 ounces of spirituous liquor

1356 at a time before the patron.

1357 (3) (a) (i) Wine may be sold and served by the glass or an individual portion not to

1358 exceed five ounces per glass or individual portion.

1359 (ii) An individual portion may be served to a patron in more than one glass as long as

1360 the total amount of wine does not exceed five ounces.

1361 (iii) An individual portion of wine is considered to be one alcoholic beverage under

1362 Subsection (7)(c).

1363 (b) (i) Wine may be sold and served in containers not exceeding 1.5 liters at prices

1364 fixed by the commission to tables of four or more persons.

1365 (ii) Wine may be sold and served in containers not exceeding 750 [~~ml~~] milliliters at

1366 prices fixed by the commission to tables of less than four persons.

1367 (c) A wine service may be performed and a service charge assessed by the airport

1368 lounge as authorized by commission rule for wine purchased at the airport lounge.

1369 (4) (a) Heavy beer may be served in original containers not exceeding one liter at prices

1370 fixed by the commission.

1371 (b) A service charge may be assessed by the airport lounge as authorized by

1372 commission rule for heavy beer purchased at the airport lounge.

1373 (5) (a) (i) Subject to Subsection (5)(a)(ii), an airport lounge licensed to sell liquor may

1374 sell beer for on-premise consumption:

1375 (A) in an open container; and

1376 (B) on draft.

1377 (ii) Beer sold pursuant to Subsection (5)(a)(i) shall be in a size of container that does
1378 not exceed two liters, except that beer may not be sold to an individual patron in a size of
1379 container that exceeds one liter.

1380 (b) An airport lounge that sells beer pursuant to Subsection (5)(a):

1381 (i) may do so without obtaining a separate on-premise beer retailer license from the
1382 commission; and

1383 (ii) shall comply with all appropriate operational restrictions under Chapter 10, Beer
1384 Retailer Licenses, that apply to on-premise beer retailers except when those restrictions are
1385 inconsistent with or less restrictive than the operational restrictions under this part.

1386 (c) Failure to comply with the operational restrictions under Chapter 10, Beer Retailer
1387 Licenses, required by Subsection (5)(b) may result in a suspension or revocation of the airport
1388 lounge's:

1389 (i) state liquor license; and

1390 (ii) alcoholic beverage license issued by the local authority.

1391 (6) Alcoholic beverages may not be stored, served, or sold in any place other than as
1392 designated in the licensee's application, unless the licensee first applies for and receives
1393 approval from the department for a change of location within the airport lounge.

1394 (7) (a) A patron may only make purchases in the airport lounge from and be served by
1395 a person employed, designated, and trained by the licensee to sell, dispense, and serve alcoholic
1396 beverages.

1397 (b) Notwithstanding Subsection (7)(a), a patron who has purchased bottled wine from
1398 an employee of the airport lounge may serve wine from the bottle to the patron or others at the
1399 patron's table.

1400 (c) Each airport lounge patron may have no more than two alcoholic beverages of any
1401 kind at a time before the patron.

1402 (8) The liquor storage area shall remain locked at all times other than those hours and
1403 days when liquor sales and service are authorized by law.

1404 (9) Alcoholic beverages may not be sold, offered for sale, served, or otherwise
1405 furnished at an airport lounge on any day after 12 midnight and before 8 a.m.

1406 (10) Alcoholic beverages may not be sold, served, or otherwise furnished to any:

1407 (a) minor;

1408 (b) person actually, apparently, or obviously intoxicated;

1409 (c) known habitual drunkard; or

1410 (d) known interdicted person.

1411 (11) (a) (i) Liquor may be sold only at prices fixed by the commission.

1412 (ii) Liquor may not be sold at discount prices on any date or at any time.

1413 (b) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverage
1414 to the licensee.

1415 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
1416 over consumption or intoxication.

1417 (d) An alcoholic beverage may not be sold at a special or reduced price for only certain
1418 hours of the airport lounge's business day such as a "happy hour."

1419 (e) The sale or service of more than one alcoholic beverage for the price of a single
1420 alcoholic beverage is prohibited.

1421 (f) The sale or service of an indefinite or unlimited number of alcoholic beverages
1422 during any set period for a fixed price is prohibited.

1423 (g) An airport lounge licensee may not engage in a public promotion involving or
1424 offering free alcoholic beverages to the general public.

1425 (12) Alcoholic beverages may not be purchased for a patron of an airport lounge by:

1426 (a) the licensee; or

1427 (b) any employee or agent of the licensee.

1428 (13) (a) A person may not bring onto the premises of an airport lounge licensee any
1429 alcoholic beverage for on-premise consumption.

1430 (b) An airport lounge or its officers, managers, employees, or agents may not allow a
1431 person to bring onto the airport lounge premises any alcoholic beverage for on-premise
1432 consumption or allow consumption of any such alcoholic beverage on its premises.

1433 (14) An airport lounge licensee and its employees may not permit a patron to remove
1434 any alcoholic beverages from the airport lounge premises.

1435 (15) (a) A minor may not be employed by an airport lounge licensee to sell or dispense
1436 alcoholic beverages.

1437 (b) Notwithstanding Subsection (15)(a), a minor who is at least 16 years of age may be
1438 employed to enter the sale at a cash register or other sales recording device.

1439 (16) An employee of an airport lounge licensee, while on duty, may not:

1440 (a) consume an alcoholic beverage; or

1441 (b) be intoxicated.

1442 (17) Any charge or fee made in connection with the sale, service, or consumption of
1443 liquor may be stated in a food or alcoholic beverage menu including:

1444 (a) a set-up charge;

1445 (b) a service charge; or

1446 (c) a chilling fee.

1447 (18) Each airport lounge liquor licensee shall display in a prominent place in the airport
1448 lounge:

1449 (a) the liquor license that is issued by the department;

1450 (b) a list of the types and brand names of liquor being served through its calibrated
1451 metered dispensing system; and

1452 (c) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
1453 drugs is a serious crime that is prosecuted aggressively in Utah."

1454 (19) (a) Each airport lounge liquor licensee shall maintain an expense ledger or record
1455 showing in detail:

1456 (i) quarterly expenditures made separately for malt or brewed beverages, liquor, and all
1457 other items required by the department; and

1458 (ii) sales made separately for malt or brewed beverages, food, and all other items
1459 required by the department.

1460 (b) This record shall be kept:

1461 (i) in a form approved by the department; and

1462 (ii) current for each three-month period.

1463 (c) Each expenditure shall be supported by:

1464 (i) delivery tickets;

1465 (ii) invoices;

1466 (iii) receipted bills;

1467 (iv) canceled checks;

1468 (v) petty cash vouchers; or

1469 (vi) other sustaining data or memoranda.

1470 (d) In addition to a ledger or record required by Subsection (19)(a), each airport lounge
1471 liquor licensee shall maintain accounting and other records and documents as the department
1472 may require.

1473 (e) Any airport lounge or person acting for the airport lounge, who knowingly forges,
1474 falsifies, alters, cancels, destroys, conceals, or removes the entries in any of the books of
1475 account or other documents of the airport lounge required to be made, maintained, or preserved
1476 by this title or the rules of the commission for the purpose of deceiving the commission or the
1477 department, or any of their officials or employees, is subject to:

1478 (i) the immediate suspension or revocation of the airport lounge's liquor license; and

1479 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.

1480 (20) An airport lounge liquor license may not be transferred from one location to
1481 another, without prior written approval of the commission.

1482 (21) (a) An airport lounge liquor licensee may not sell, transfer, assign, exchange,
1483 barter, give, or attempt in any way to dispose of the license to any other person, whether for
1484 monetary gain or not.

1485 (b) An airport lounge liquor license has no monetary value for the purpose of any type

1486 of disposition.

1487 (22) Each server of alcoholic beverages in a licensee's establishment shall keep a
1488 written beverage tab for each table or group that orders or consumes alcoholic beverages on the
1489 premises. The beverage tab shall list the type and amount of alcoholic beverages ordered or
1490 consumed.

1491 (23) An airport lounge liquor licensee's premises may not be leased for private
1492 functions.

1493 (24) An airport lounge liquor licensee may not engage in or permit any form of
1494 gambling, or have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
1495 Part 11, Gambling, on the premises of the airport lounge liquor licensee.

1496 Section 17. Section **32A-4-303** is amended to read:

1497 **32A-4-303. Application and renewal requirements.**

1498 (1) A person seeking a limited restaurant license under this part shall file a written
1499 application with the department, in a form prescribed by the department. The application shall
1500 be accompanied by:

- 1501 (a) a nonrefundable \$250 application fee;
- 1502 (b) an initial license fee of \$500, which is refundable if a license is not granted;
- 1503 (c) written consent of the local authority;
- 1504 (d) a copy of the applicant's current business license;
- 1505 (e) evidence of proximity to any public or private school, church, public library, public
1506 playground, or park, and if the proximity is within the 600 foot or 200 foot limitation of
1507 Subsections 32A-4-302(4) and (5), the application shall be processed in accordance with those
1508 subsections;

1509 (f) a bond as specified by Section 32A-4-306;

1510 (g) a floor plan of the restaurant, including:

1511 (i) consumption areas; and

1512 (ii) the area where the applicant proposes to keep, store, and sell wine, heavy beer, and
1513 beer;

1514 (h) evidence that the restaurant is carrying public liability insurance in an amount and
1515 form satisfactory to the department;

1516 (i) evidence that the restaurant is carrying dramshop insurance coverage of at least
1517 \$500,000 per occurrence and \$1,000,000 in the aggregate;

1518 (j) a signed consent form stating that the restaurant will permit any authorized
1519 representative of the commission, department, or any law enforcement officer unrestricted right
1520 to enter the restaurant;

1521 (k) in the case of an applicant that is a partnership, corporation, or limited liability
1522 company, proper verification evidencing that the person or persons signing the restaurant
1523 application are authorized to so act on behalf of the partnership, corporation, or limited liability
1524 company; and

1525 (l) any other information the commission or department may require.

1526 ~~[(2) A holder of a restaurant liquor license or a private club license on May 5, 2003,~~
1527 ~~may not be required to pay the application or initial license fees for a limited restaurant license~~
1528 ~~under this chapter if the licensee:]~~

1529 ~~[(a) surrenders the restaurant liquor license or private club license before being granted~~
1530 ~~a limited restaurant license; and]~~

1531 ~~[(b) applies for a limited restaurant license in calendar year 2003:]~~

1532 ~~[(i) for the same premises for which the restaurant liquor license or private club license~~
1533 ~~was granted; and]~~

1534 ~~[(ii) before the expiration of the restaurant liquor license or private club license.]~~

1535 ~~[(3)]~~ (2) (a) All limited restaurant licenses expire on October 31 of each year.

1536 (b) A person desiring to renew that person's limited restaurant license shall submit:

1537 (i) a renewal fee of \$300; and

1538 (ii) a renewal application to the department no later than September 30.

1539 (c) Failure to meet the renewal requirements shall result in an automatic forfeiture of
1540 the license effective on the date the existing license expires.

1541 (d) Renewal applications shall be in a form as prescribed by the department.

1542 [~~(4)~~] (3) To ensure compliance with Subsection 32A-4-307[~~(28)~~] (25), the commission
1543 may suspend or revoke a limited restaurant license if the limited restaurant licensee does not
1544 immediately notify the department of any change in:

- 1545 (a) ownership of the restaurant;
- 1546 (b) for a corporate owner, the:
 - 1547 (i) corporate officer or directors; or
 - 1548 (ii) shareholders holding at least 20% of the total issued and outstanding stock of the
1549 corporation; or
- 1550 (c) for a limited liability company:
 - 1551 (i) managers; or
 - 1552 (ii) members owning at least 20% of the limited liability company.

1553 Section 18. Section **32A-4-307** is amended to read:

1554 **32A-4-307. Operational restrictions.**

1555 Each person granted a limited restaurant license and the employees and management
1556 personnel of the restaurant shall comply with the following conditions and requirements.
1557 Failure to comply may result in a suspension or revocation of the license or other disciplinary
1558 action taken against individual employees or management personnel.

1559 (1) (a) Wine and heavy beer may not be purchased by a limited restaurant licensee
1560 except from state stores or package agencies.

1561 (b) Wine and heavy beer purchased in accordance with Subsection (1)(a) may be
1562 transported by the licensee from the place of purchase to the licensed premises.

1563 (c) Payment for wine and heavy beer shall be made in accordance with rules
1564 established by the commission.

1565 (2) (a) A limited restaurant licensee may not sell, serve, or allow consumption of
1566 spirituous liquor on the premises of the restaurant.

1567 (b) Spirituous liquor may not be on the premises of the restaurant except for use:

1568 (i) as a flavoring on desserts; and

1569 (ii) in the preparation of flaming food dishes, drinks, and desserts.

1570 (3) (a) (i) Wine may be sold and served by the glass or an individual portion not to
1571 exceed five ounces per glass or individual portion.

1572 (ii) An individual portion may be served to a patron in more than one glass as long as
1573 the total amount of wine does not exceed five ounces.

1574 (iii) An individual portion of wine is considered to be one alcoholic beverage under
1575 Subsection (7)(e).

1576 (b) (i) Wine may be sold and served in containers not exceeding 1.5 liters at prices
1577 fixed by the commission to tables of four or more persons.

1578 (ii) Wine may be sold and served in containers not exceeding 750 [~~ml~~] milliliters at
1579 prices fixed by the commission to tables of less than four persons.

1580 (c) A wine service may be performed and a service charge assessed by the limited
1581 restaurant as authorized by commission rule for wine purchased at the limited restaurant.

1582 (4) (a) Heavy beer may be served in original containers not exceeding one liter at prices
1583 fixed by the commission.

1584 (b) A service charge may be assessed by the limited restaurant as authorized by
1585 commission rule for heavy beer purchased at the restaurant.

1586 (5) (a) (i) Subject to Subsection (5)(a)(ii), a limited restaurant licensee may sell beer for
1587 on-premise consumption:

1588 (A) in an open container; and

1589 (B) on draft.

1590 (ii) Beer sold pursuant to Subsection (5)(a)(i) shall be in a size of container that does
1591 not exceed two liters, except that beer may not be sold to an individual patron in a size of
1592 container that exceeds one liter.

1593 (b) A limited restaurant licensee that sells beer pursuant to Subsection (5)(a):

1594 (i) may do so without obtaining a separate on-premise beer retailer license from the
1595 commission; and

1596 (ii) shall comply with all appropriate operational restrictions under Chapter 10, Beer
1597 Retailer Licenses, that apply to on-premise beer retailers except when those restrictions are

1598 inconsistent with or less restrictive than the operational restrictions under this part.

1599 (c) Failure to comply with the operational restrictions under Chapter 10, Beer Retailer
1600 Licenses, required by Subsection (5)(b) may result in a suspension or revocation of the
1601 restaurant's:

1602 (i) limited restaurant license; and

1603 (ii) alcoholic beverage license issued by the local authority.

1604 (6) Wine, heavy beer, and beer may not be stored, served, or sold in any place other
1605 than as designated in the licensee's application, unless the licensee first applies for and receives
1606 approval from the department for a change of location within the restaurant.

1607 (7) (a) (i) A patron may only make alcoholic beverage purchases in the limited
1608 restaurant from and be served by a person employed, designated, and trained by the licensee to
1609 sell and serve alcoholic beverages.

1610 (ii) Notwithstanding Subsection (7)(a)(i), a patron who has purchased bottled wine
1611 from an employee of the restaurant or has carried bottled wine onto the premises of the
1612 restaurant pursuant to Subsection (14) may thereafter serve wine from the bottle to the patron
1613 or others at the patron's table.

1614 (b) Alcoholic beverages shall be delivered by a server to the patron.

1615 (c) Any alcoholic beverage may only be consumed at the patron's table or counter.

1616 (d) Alcoholic beverages may not be served to or consumed by a patron at a bar.

1617 (e) Each restaurant patron may have no more than two alcoholic beverages of any kind
1618 at a time before the patron.

1619 (8) The alcoholic beverage storage area shall remain locked at all times other than
1620 those hours and days when alcoholic beverage sales are authorized by law.

1621 (9) (a) Wine and heavy beer may not be sold, offered for sale, served, or otherwise
1622 furnished at a limited restaurant during the following days or hours:

1623 (i) until after the polls are closed on the day of any:

1624 (A) regular general election;

1625 (B) regular primary election; or

- 1626 (C) statewide special election;
- 1627 (ii) until after the polls are closed on the day of any municipal, special district, or
- 1628 school election, but only:
- 1629 (A) within the boundaries of the municipality, special district, or school district; and
- 1630 (B) if required by local ordinance; and
- 1631 (iii) on any other day after 12 midnight and before 12 noon.
- 1632 (b) The hours of beer sales and service are those specified in Chapter 10, Beer Retailer
- 1633 Licenses, for on-premise beer licensees.
- 1634 (10) Alcoholic beverages may not be sold except in connection with an order of food
- 1635 prepared, sold, and served at the restaurant.
- 1636 (11) Wine, heavy beer, and beer may not be sold, served, or otherwise furnished to any:
- 1637 (a) minor;
- 1638 (b) person actually, apparently, or obviously intoxicated;
- 1639 (c) known habitual drunkard; or
- 1640 (d) known interdicted person.
- 1641 (12) (a) (i) Wine and heavy beer may be sold only at prices fixed by the commission.
- 1642 (ii) Wine and heavy beer may not be sold at discount prices on any date or at any time.
- 1643 (b) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverages
- 1644 to the licensee.
- 1645 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
- 1646 over consumption or intoxication.
- 1647 (d) An alcoholic beverage may not be sold at a special or reduced price for only certain
- 1648 hours of the limited restaurant's business day such as a "happy hour."
- 1649 (e) The sale or service of more than one alcoholic beverage for the price of a single
- 1650 alcoholic beverage is prohibited.
- 1651 (f) The sale or service of an indefinite or unlimited number of alcoholic beverages
- 1652 during any set period for a fixed price is prohibited.
- 1653 (g) A limited restaurant licensee may not engage in a public promotion involving or

1654 offering free alcoholic beverages to the general public.

1655 (13) Alcoholic beverages may not be purchased for a patron of the restaurant by:

1656 (a) the licensee; or

1657 (b) any employee or agent of the licensee.

1658 (14) (a) A person may not bring onto the premises of a limited restaurant licensee any
1659 alcoholic beverage for on-premise consumption, except a person may bring, subject to the
1660 discretion of the licensee, bottled wine onto the premises of any limited restaurant licensee for
1661 on-premise consumption.

1662 (b) Except bottled wine under Subsection (14)(a), a limited restaurant licensee or its
1663 officers, managers, employees, or agents may not allow:

1664 (i) a person to bring onto the restaurant premises any alcoholic beverage for on-premise
1665 consumption; or

1666 (ii) consumption of any alcoholic beverage described in Subsection (14)(b)(i) on its
1667 premises.

1668 (c) If bottled wine is carried in by a patron, the patron shall deliver the wine to a server
1669 or other representative of the licensee upon entering the restaurant.

1670 (d) A wine service may be performed and a service charge assessed by the restaurant as
1671 authorized by commission rule for wine carried in by a patron.

1672 (15) (a) Except as provided in Subsection (15)(b), a limited restaurant licensee and its
1673 employees may not permit a restaurant patron to carry from the restaurant premises an open
1674 container that:

1675 (i) is used primarily for drinking purposes; and

1676 (ii) contains any alcoholic beverage.

1677 (b) Notwithstanding Subsection (15)(a), a patron may remove the unconsumed
1678 contents of a bottle of wine if before removal the bottle has been recorked or recapped.

1679 (16) (a) A minor may not be employed by a limited restaurant licensee to sell or
1680 dispense alcoholic beverages.

1681 (b) Notwithstanding Subsection (16)(a), a minor who is at least 16 years of age may be

1682 employed to enter the sale at a cash register or other sales recording device.

1683 (17) An employee of a limited restaurant licensee, while on duty, may not:

1684 (a) consume an alcoholic beverage; or

1685 (b) be intoxicated.

1686 (18) A charge or fee made in connection with the sale, service, or consumption of wine
1687 or heavy beer may be stated in food or alcoholic beverage menus including:

1688 (a) a service charge; or

1689 (b) a chilling fee.

1690 (19) Each limited restaurant licensee shall display in a prominent place in the
1691 restaurant:

1692 (a) the license that is issued by the department; and

1693 (b) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
1694 drugs is a serious crime that is prosecuted aggressively in Utah."

1695 ~~[(20) The following acts or conduct in a restaurant licensed under this part are
1696 considered contrary to the public welfare and morals, and are prohibited upon the premises:]~~

1697 ~~[(a) employing or using any person in the sale or service of alcoholic beverages while
1698 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
1699 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
1700 buttocks, vulva, or genitals;]~~

1701 ~~[(b) employing or using the services of any person to mingle with the patrons while the
1702 person is unclothed or in attire, costume, or clothing described in Subsection (20)(a);]~~

1703 ~~[(c) encouraging or permitting any person to touch, caress, or fondle the breasts,
1704 buttocks, anus, or genitals of any other person;]~~

1705 ~~[(d) permitting any employee or person to wear or use any device or covering, exposed
1706 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;]~~

1707 ~~[(e) permitting any person to use artificial devices or inanimate objects to depict any of
1708 the prohibited activities described in this Subsection (20);]~~

1709 ~~[(f) permitting any person to remain in or upon the premises who exposes to public~~

1710 view any portion of that person's genitals or anus; or]

1711 [~~(g)~~ showing films, still pictures, electronic reproductions, or other visual

1712 reproductions depicting:]

1713 [~~(i)~~ acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral

1714 copulation, flagellation, or any sexual acts prohibited by Utah law;]

1715 [~~(ii)~~ any person being touched, caressed, or fondled on the breast, buttocks, anus, or

1716 genitals;]

1717 [~~(iii)~~ scenes wherein artificial devices or inanimate objects are used to depict, or

1718 drawings are used to portray, any of the prohibited activities described in this Subsection (20);

1719 or]

1720 [~~(iv)~~ scenes wherein a person displays the vulva, anus, or the genitals.];

1721 [~~(21)~~ Nothing in Subsection (20) precludes a local authority from being more

1722 restrictive of acts or conduct of the type prohibited in Subsection (20).]

1723 [~~(22)~~ (a) Although live entertainment is permitted on the premises of a limited

1724 restaurant licensee, a licensee may not allow any person to perform or simulate sexual acts

1725 prohibited by Utah law, including sexual intercourse, masturbation, sodomy, bestiality, oral

1726 copulation, flagellation, the touching, caressing, or fondling of the breast, buttocks, anus, or

1727 genitals, or the displaying of the pubic hair, anus, vulva, or genitals. Entertainers shall perform

1728 only upon a stage or at a designated area approved by the commission.];

1729 [~~(b)~~ Nothing in Subsection (22)(a) precludes a local authority from being more

1730 restrictive of acts or conduct of the type prohibited in Subsection (22)(a).];

1731 [~~(23)~~] (20) A limited restaurant licensee may not engage in or permit any form of

1732 gambling, or have any video gaming device, as defined and proscribed by Title 76, Chapter 10,

1733 Part 11, Gambling, on the premises of the restaurant.

1734 [~~(24)~~] (21) (a) Each limited restaurant licensee shall maintain an expense ledger or

1735 record showing in detail:

1736 (i) quarterly expenditures made separately for:

1737 (A) wine;

- 1738 (B) heavy beer;
- 1739 (C) beer;
- 1740 (D) food; and
- 1741 (E) all other items required by the department; and
- 1742 (ii) sales made separately for:
- 1743 (A) wine;
- 1744 (B) heavy beer;
- 1745 (C) beer;
- 1746 (D) food; and
- 1747 (E) all other items required by the department.
- 1748 (b) The record required by Subsection [~~(24)~~] (21)(a) shall be kept:
- 1749 (i) in a form approved by the department; and
- 1750 (ii) current for each three-month period.
- 1751 (c) Each expenditure shall be supported by:
- 1752 (i) delivery tickets;
- 1753 (ii) invoices;
- 1754 (iii) receipted bills;
- 1755 (iv) canceled checks;
- 1756 (v) petty cash vouchers; or
- 1757 (vi) other sustaining data or memoranda.
- 1758 (d) In addition to the ledger or record maintained under Subsections [~~(24)~~] (21)(a)
- 1759 through (c), a limited restaurant licensee shall maintain accounting and other records and
- 1760 documents as the department may require.
- 1761 (e) Any restaurant or person acting for the restaurant, who knowingly forges, falsifies,
- 1762 alters, cancels, destroys, conceals, or removes the entries in any of the books of account or
- 1763 other documents of the restaurant required to be made, maintained, or preserved by this title or
- 1764 the rules of the commission for the purpose of deceiving the commission or department, or any
- 1765 of their officials or employees, is subject to:

- 1766 (i) the suspension or revocation of the limited restaurant's license; and
1767 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.
- 1768 [~~(25)~~] (22) (a) A limited restaurant licensee may not close or cease operation for a
1769 period longer than 240 hours, unless:
- 1770 (i) the limited restaurant licensee notifies the department in writing at least seven days
1771 before the closing; and
- 1772 (ii) the closure or cessation of operation is first approved by the department.
- 1773 (b) Notwithstanding Subsection [~~(25)~~] (22)(a), in the case of emergency closure,
1774 immediate notice of closure shall be made to the department by telephone.
- 1775 (c) (i) Subject to Subsection [~~(25)~~] (22)(c)(iii), the department may authorize a closure
1776 or cessation of operation for a period not to exceed 60 days.
- 1777 (ii) The department may extend the initial period an additional 30 days upon:
- 1778 (A) written request of the limited restaurant licensee; and
1779 (B) a showing of good cause.
- 1780 (iii) A closure or cessation of operation may not exceed a total of 90 days without
1781 commission approval.
- 1782 (d) Any notice required by Subsection [~~(25)~~] (22)(a) shall include:
- 1783 (i) the dates of closure or cessation of operation;
1784 (ii) the reason for the closure or cessation of operation; and
1785 (iii) the date on which the licensee will reopen or resume operation.
- 1786 (e) Failure of the licensee to provide notice and to obtain department authorization
1787 before closure or cessation of operation shall result in an automatic forfeiture of:
- 1788 (i) the license; and
1789 (ii) the unused portion of the license fee for the remainder of the license year effective
1790 immediately.
- 1791 (f) Failure of the licensee to reopen or resume operation by the approved date shall
1792 result in an automatic forfeiture of:
- 1793 (i) the license; and

1794 (ii) the unused portion of the license fee for the remainder of the license year.
1795 [~~(26)~~] (23) Each limited restaurant licensee shall maintain at least 70% of its total
1796 restaurant business from the sale of food, which does not include service charges.
1797 [~~(27)~~] (24) A limited restaurant license may not be transferred from one location to
1798 another, without prior written approval of the commission.
1799 [~~(28)~~] (25) (a) A limited restaurant licensee may not sell, transfer, assign, exchange,
1800 barter, give, or attempt in any way to dispose of the license to any other person whether for
1801 monetary gain or not.
1802 (b) A limited restaurant license has no monetary value for the purpose of any type of
1803 disposition.
1804 [~~(29)~~] (26) (a) Each server of wine, heavy beer, and beer in a limited restaurant
1805 licensee's establishment shall keep a written beverage tab for each table or group that orders or
1806 consumes alcoholic beverages on the premises.
1807 (b) The beverage tab required by Subsection [~~(29)~~] (26)(a) shall list the type and
1808 amount of alcoholic beverages ordered or consumed.
1809 [~~(30)~~] (27) A limited restaurant licensee may not make a person's willingness to serve
1810 alcoholic beverages a condition of employment as a server with the restaurant.
1811 Section 19. Section **32A-4-401** is amended to read:
1812 **32A-4-401. Commission's power to grant licenses -- Limitations.**
1813 (1) (a) For purposes of this part:
1814 (i) "Banquet" means an event:
1815 (A) for which there is a contract:
1816 (I) between any person and a person listed in Subsection (1)(a)(i)(B); and
1817 (II) under which a person listed in Subsection (1)(a)(i)(B) is required to provide
1818 alcoholic beverages at the event;
1819 (B) held at one or more designated locations approved by the commission in or on the
1820 premises of a:
1821 (I) hotel;

1822 (II) resort facility;

1823 (III) sports center; or

1824 (IV) convention center; and

1825 (C) at which food and alcoholic beverages may be sold and served.

1826 (ii) "Convention center" is as defined by the commission by rule.

1827 (iii) "Hotel" is as defined by the commission by rule.

1828 (iv) "Resort facility" is as defined by the commission by rule.

1829 (v) "Room service" means service of alcoholic beverages to a guest room of a:

1830 (A) hotel; or

1831 (B) resort facility.

1832 (vi) "Sports center" is as defined by the commission by rule.

1833 (b) The commission may issue an on-premise banquet license to any of the following

1834 persons for the purpose of allowing the storage, sale, service, and consumption of alcoholic

1835 beverages in connection with that person's banquet and room service activities:

1836 (i) hotel;

1837 (ii) resort facility;

1838 (iii) sports center; or

1839 (iv) convention center.

1840 (c) This chapter is not intended to prohibit [~~liquor~~] alcoholic beverages on the premises

1841 of a person listed in Subsection (1) to the extent otherwise permitted by this title.

1842 (2) (a) Subject to this section, the total number of on-premise banquet licenses may not

1843 at any time aggregate more than that number determined by dividing the population of the state

1844 by 30,000.

1845 (b) For purposes of this Subsection (2), the population of the state shall be determined

1846 by:

1847 (i) the most recent United States decennial or special census; or

1848 (ii) any other population determination made by the United States or state

1849 governments.

1850 (3) Pursuant to a contract between the host of a banquet and an on-premise banquet
1851 licensee:

1852 (a) the host of a contracted banquet may request an on-premise banquet licensee to
1853 provide alcoholic beverages served at a banquet; and

1854 (b) an on-premise banquet licensee may provide the alcoholic beverages served at a
1855 banquet.

1856 (4) At a banquet, an on-premise banquet licensee may provide:

1857 (a) a hosted bar; or

1858 (b) a cash bar.

1859 (5) Nothing in this section shall prohibit a qualified on-premise banquet license
1860 applicant from applying for a package agency.

1861 (6) (a) The premises of an on-premise banquet license may not be established within
1862 600 feet of any public or private school, church, public library, public playground, or park, as
1863 measured by the method in Subsection [~~(7)~~] (6)(d).

1864 (b) The premises of an on-premise banquet license may not be established within 200
1865 feet of any public or private school, church, public library, public playground, or park,
1866 measured in a straight line from the nearest entrance of the proposed outlet to the nearest
1867 property boundary of the public or private school, church, public library, public playground, or
1868 park.

1869 (c) The restrictions contained in Subsections (6)(a) and (b) govern unless one of the
1870 following exemptions applies:

1871 (i) with respect to the establishment of an on-premise banquet license within any
1872 location, the commission may authorize a variance to reduce the proximity requirements of
1873 Subsection (6)(a) or (b) if:

1874 (A) the local [~~governing~~] authority [~~has granted~~] grants its written consent to the
1875 variance;

1876 (B) alternative locations for establishing an on-premise banquet license in the
1877 community are limited;

1878 (C) the variance is authorized after a public hearing [~~has been~~] is held in the city, town,
1879 or county, and where practical in the neighborhood concerned; and

1880 (D) after giving full consideration to all of the attending circumstances and the policies
1881 stated in Subsections 32A-1-104(3) and (4), the commission determines that establishing the
1882 license would not be detrimental to the public health, peace, safety, and welfare of the
1883 community; or

1884 (ii) with respect to the premises of any on-premise banquet license issued by the
1885 commission that undergoes a change of ownership, the commission may waive or vary the
1886 proximity requirements of Subsections (6)(a) and (b) in considering whether to grant an
1887 on-premise banquet license to the new owner of the premises if:

1888 (A) the premises previously received a variance reducing the proximity requirements of
1889 Subsection (6)(a) or (b); or

1890 (B) a variance from proximity or distance requirements was otherwise allowed under
1891 this title.

1892 [~~(7)~~] (d) With respect to any public or private school, church, public library, public
1893 playground, or park, the 600 foot limitation described in Subsection (6)(a) is measured from
1894 the nearest entrance of the outlet by following the shortest route of ordinary pedestrian travel to
1895 the property boundary of the public or private school, church, public library, public playground,
1896 school playground, or park.

1897 [~~(8)~~] (7) (a) Nothing in this section prevents the commission from considering the
1898 proximity of any educational, religious, and recreational facility, or any other relevant factor in
1899 reaching a decision on a proposed location.

1900 (b) For purposes of this Subsection [~~(8)~~] (7), "educational facility" includes:

1901 (i) a nursery school;

1902 (ii) an infant day care center; and

1903 (iii) a trade and technical school.

1904 Section 20. Section **32A-4-402** is amended to read:

1905 **32A-4-402. Application and renewal requirements.**

1906 (1) (a) A person seeking an on-premise banquet license under this part shall file a
1907 written application with the department, in a form prescribed by the department. The
1908 application shall be accompanied by:

- 1909 (i) a nonrefundable \$250 application fee;
- 1910 (ii) an initial license fee of \$500, which is refundable if a license is not granted;
- 1911 (iii) written consent of the local authority;
- 1912 (iv) a copy of the applicant's current business license;
- 1913 (v) evidence of proximity to any public or private school, church, public library, public
1914 playground, or park, and if the proximity is within the 600 foot or 200 foot limitation of
1915 [~~Subsections~~ Subsection 32A-4-401(6) [~~and (7)~~], the application shall be processed in
1916 accordance with those subsections;
- 1917 (vi) a bond as specified by Section 32A-4-405;
- 1918 (vii) a description or floor plan and boundary map of the premises, where appropriate,
1919 of the on-premise banquet license applicant's location, designating:
 - 1920 (A) the location at which the on-premise banquet license applicant proposes that
1921 alcoholic beverages be stored; and
 - 1922 (B) the designated locations on the premises of the applicant from which the
1923 on-premise banquet license applicant proposes that alcoholic beverages be sold or served, and
1924 consumed;
 - 1925 (viii) evidence that the on-premise banquet license applicant is carrying public liability
1926 insurance in an amount and form satisfactory to the department;
 - 1927 (ix) evidence that the on-premise banquet license applicant is carrying dramshop
1928 insurance coverage of at least \$500,000 per occurrence and \$1,000,000 in the aggregate;
 - 1929 (x) a signed consent form stating that the on-premise banquet license applicant will
1930 permit any authorized representative of the commission, department, or any law enforcement
1931 officer unrestricted right to enter the on-premise banquet premises;
 - 1932 (xi) in the case of an applicant that is a partnership, corporation, or limited liability
1933 company, proper verification evidencing that the person or persons signing the on-premise

1934 banquet license application are authorized to so act on behalf of the partnership, corporation, or
1935 limited liability company; and

1936 (xii) any other information the commission or department may require.

1937 (b) An applicant need not meet the requirements of Subsections (1)(a)(i), (ii), (iii), (iv),
1938 and (vi) if the applicant is:

1939 (i) a state agency; or

1940 (ii) a political subdivision of the state including:

1941 (A) a county; or

1942 (B) a municipality.

1943 (2) Additional locations in or on the premises of an on-premise banquet license
1944 applicant's business from which the on-premise banquet license applicant may propose that
1945 alcoholic beverages may be stored, sold or served, or consumed, not included in the applicant's
1946 original application may be approved by the department upon proper application, in accordance
1947 with guidelines approved by the commission.

1948 (3) (a) All on-premise banquet licenses expire on October 31 of each year.

1949 (b) (i) Except as provided in Subsection (3)(b)(ii), a person desiring to renew that
1950 person's on-premise banquet license shall submit a renewal fee of \$500 and a completed
1951 renewal application to the department no later than September 30.

1952 (ii) A licensee is not required to submit the renewal fee if the licensee is:

1953 (A) a state agency; or

1954 (B) a political subdivision of the state including:

1955 (I) a county; or

1956 (II) a municipality.

1957 (c) Failure to meet the renewal requirements shall result in an automatic forfeiture of
1958 the license effective on the date the existing license expires.

1959 (d) Renewal applications shall be in a form as prescribed by the department.

1960 (4) To ensure compliance with Subsection 32A-4-406[~~(27)~~] (24), the commission may
1961 suspend or revoke an on-premise banquet license if the on-premise banquet licensee fails to

1962 immediately notify the department of any change in:

1963 (a) ownership of the licensee;

1964 (b) for a corporate owner, the:

1965 (i) corporate officers or directors; or

1966 (ii) shareholders holding at least 20% of the total issued and outstanding stock of the
1967 corporation; or

1968 (c) for a limited liability company:

1969 (i) managers; or

1970 (ii) members owning at least 20% of the limited liability company.

1971 Section 21. Section **32A-4-406** is amended to read:

1972 **32A-4-406. Operational restrictions.**

1973 Each person granted an on-premise banquet license and the employees and management
1974 personnel of the on-premise banquet licensee shall comply with this title, the rules of the
1975 commission, and the following conditions and requirements. Failure to comply may result in a
1976 suspension or revocation of the license or other disciplinary action taken against individual
1977 employees or management personnel.

1978 (1) A person involved in the sale or service of alcoholic beverages under the
1979 on-premise banquet license shall:

1980 (a) be under the supervision and direction of the on-premise banquet licensee; and

1981 (b) complete the seminar provided for in Section 62A-15-401.

1982 (2) (a) Liquor may not be purchased by the on-premise banquet licensee except from
1983 state stores or package agencies.

1984 (b) Liquor purchased in accordance with Subsection (2)(a) may be transported by the
1985 on-premise banquet licensee from the place of purchase to the licensed premises.

1986 (c) Payment for liquor shall be made in accordance with rules established by the
1987 commission.

1988 (3) Alcoholic beverages may be sold or provided at a banquet subject to the restrictions
1989 set forth in this Subsection (3).

1990 (a) An on-premise banquet licensee may sell or provide any primary spirituous liquor
1991 only in a quantity not to exceed one ounce per beverage dispensed through a calibrated metered
1992 dispensing system approved by the department in accordance with commission rules adopted
1993 under this title, except that:

1994 (i) spirituous liquor need not be dispensed through a calibrated metered dispensing
1995 system if used as a secondary flavoring ingredient in a beverage subject to the following
1996 restrictions:

1997 (A) the secondary ingredient may be dispensed only in conjunction with the purchase
1998 of a primary spirituous liquor;

1999 (B) the secondary ingredient may not be the only spirituous liquor in the beverage;

2000 (C) the on-premise banquet licensee shall designate a location where flavorings are
2001 stored on the floor plan provided to the department; and

2002 (D) all flavoring containers shall be plainly and conspicuously labeled "flavorings";

2003 (ii) spirituous liquor need not be dispensed through a calibrated metered dispensing
2004 system if used:

2005 (A) as a flavoring on desserts; and

2006 (B) in the preparation of flaming food dishes, drinks, and desserts;

2007 (iii) each attendee may have no more than 2.75 ounces of spirituous liquor at a time
2008 before the attendee; and

2009 (iv) each attendee may have no more than one spirituous liquor drink at a time before
2010 the attendee.

2011 (b) (i) (A) Wine may be sold and served by the glass or an individual portion not to
2012 exceed five ounces per glass or individual portion.

2013 (B) An individual portion may be served to an attendee in more than one glass as long
2014 as the total amount of wine does not exceed five ounces.

2015 (C) An individual portion of wine is considered to be one alcoholic beverage under
2016 Subsection (5)(c).

2017 (ii) Wine may be sold and served in containers not exceeding 1.5 liters at prices fixed

2018 by the commission.

2019 (iii) A wine service may be performed and a service charge assessed by the on-premise
2020 banquet licensee as authorized by commission rule for wine purchased on the banquet
2021 premises.

2022 (c) (i) Heavy beer may be served in original containers not exceeding one liter at prices
2023 fixed by the commission.

2024 (ii) A service charge may be assessed by the on-premise banquet licensee as authorized
2025 by commission rule for heavy beer purchased on the banquet premises.

2026 (d) (i) Except as provided in Subsection (3)(d)(ii), beer may be sold and served for
2027 on-premise consumption:

2028 (A) in an open container; and

2029 (B) on draft.

2030 (ii) Beer sold pursuant to Subsection (3)(d)(i) shall be in a size of container that does
2031 not exceed two liters, except that beer may not be sold to an individual attendee in a container
2032 size that exceeds one liter.

2033 (4) Alcoholic beverages may not be stored, served, or sold in any place other than as
2034 designated in the on-premise banquet licensee's application, except that additional locations in
2035 or on the premises of an on-premise banquet licensee may be approved in accordance with
2036 guidelines approved by the commission as provided in Subsection 32A-4-402(2).

2037 (5) (a) An attendee may only make alcoholic beverage purchases from and be served by
2038 a person employed, designated, and trained by the on-premise banquet licensee to sell and
2039 serve alcoholic beverages.

2040 (b) Notwithstanding Subsection (5)(a), an attendee who has purchased bottled wine
2041 from an employee of the on-premise banquet licensee may thereafter serve wine from the bottle
2042 to the attendee or others at the attendee's table.

2043 (c) Each attendee may have no more than two alcoholic beverages of any kind at a time
2044 before the attendee.

2045 (6) The alcoholic beverage storage area shall remain locked at all times other than

2046 those hours and days when alcoholic beverage sales are authorized by law.

2047 (7) (a) Except as provided in Subsection (7)(b), alcoholic beverages may be offered for
2048 sale, sold, served, or otherwise furnished from 10 a.m. to 1 a.m. seven days a week:

2049 (i) at a banquet; or

2050 (ii) in connection with room service.

2051 (b) Notwithstanding Subsection (7)(a), a sale or service of [~~alcoholic beverages~~] liquor
2052 may not occur at a banquet or in connection with room service until after the polls are closed
2053 on the day of:

2054 (i) a regular general election;

2055 (ii) a regular primary election; or

2056 (iii) a statewide special election.

2057 (8) Alcoholic beverages may not be sold, served, or otherwise furnished to any:

2058 (a) minor;

2059 (b) person actually, apparently, or obviously intoxicated;

2060 (c) known habitual drunkard; or

2061 (d) known interdicted person.

2062 (9) (a) (i) Liquor may be sold only at prices fixed by the commission.

2063 (ii) Liquor may not be sold at discount prices on any date or at any time.

2064 (b) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverage
2065 to the licensee.

2066 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
2067 over consumption or intoxication.

2068 (d) An alcoholic beverage may not be sold at a special or reduced price for only certain
2069 hours of the on-premise banquet licensee's business day such as a "happy hour."

2070 (e) The sale or service of more than one alcoholic beverage for the price of a single
2071 alcoholic beverage is prohibited.

2072 (f) An on-premise banquet licensee may not engage in a public promotion involving or
2073 offering free alcoholic beverages to the general public.

- 2074 (10) Alcoholic beverages may not be purchased for an attendee by:
2075 (a) the on-premise banquet licensee; or
2076 (b) any employee or agent of the on-premise banquet licensee.
- 2077 (11) An attendee of a banquet may not bring any alcoholic beverage into or onto, or
2078 remove any alcoholic beverage from the premises of a banquet.
- 2079 (12) (a) Except as otherwise provided in this title, the sale and service of alcoholic
2080 beverages by an on-premise banquet licensee at a banquet shall be made only for consumption
2081 at the location of the banquet.
- 2082 (b) The host of a banquet, an attendee, or any other person other than the on-premise
2083 banquet licensee or its employees, may not remove any alcoholic beverage from the premises
2084 of the banquet.
- 2085 (13) An on-premise banquet licensee employee shall remain at the banquet at all times
2086 when alcoholic beverages are being sold, served, or consumed at the banquet.
- 2087 (14) (a) An on-premise banquet licensee may not leave any unsold alcoholic beverages
2088 at the banquet following the conclusion of the banquet.
- 2089 (b) At the conclusion of a banquet, the on-premise banquet licensee or its employees,
2090 shall:
- 2091 (i) destroy any opened and unused alcoholic beverages that are not saleable, under
2092 conditions established by the department; and
- 2093 (ii) return to the on-premise banquet licensee's approved locked storage area any:
2094 (A) opened and unused alcoholic beverage that is saleable; and
2095 (B) unopened containers of alcoholic beverages.
- 2096 (15) Except as provided in Subsection (14), any open or sealed container of alcoholic
2097 beverages not sold or consumed at a banquet:
- 2098 (a) shall be stored by the on-premise banquet licensee in the licensee's approved locked
2099 storage area; and
- 2100 (b) may be used at more than one banquet.
- 2101 (16) An on-premise banquet licensee may not employ a minor to sell, serve, dispense,

2102 or otherwise furnish alcoholic beverages in connection with the licensee's banquet and room
2103 service activities.

2104 (17) An employee of an on-premise banquet licensee, while on duty, may not:

2105 (a) consume an alcoholic beverage; or

2106 (b) be intoxicated.

2107 (18) An on-premise banquet licensee shall prominently display at each banquet at
2108 which alcoholic beverages are sold or served:

2109 (a) a copy of the licensee's on-premise banquet license; and

2110 (b) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
2111 drugs is a serious crime that is prosecuted aggressively in Utah."

2112 ~~[(19) The following acts or conduct are considered contrary to the public welfare and
2113 morals, and are prohibited at and during the hours of a banquet:]~~

2114 ~~[(a) employing or using any person in the sale or service of alcoholic beverages while
2115 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
2116 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
2117 buttocks, vulva, or genitals;]~~

2118 ~~[(b) employing or using the services of any person to mingle with the patrons while the
2119 person is unclothed or in attire, costume, or clothing described in Subsection (19)(a);]~~

2120 ~~[(c) encouraging or permitting any person to touch, caress, or fondle the breasts,
2121 buttocks, anus, or genitals of any other person;]~~

2122 ~~[(d) permitting any employee or person to wear or use any device or covering, exposed
2123 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;]~~

2124 ~~[(e) permitting any person to use artificial devices or inanimate objects to depict any of
2125 the prohibited activities described in this Subsection (19);]~~

2126 ~~[(f) permitting any person to remain in or upon the premises who exposes to public
2127 view any portion of that person's genitals or anus; or]~~

2128 ~~[(g) showing films, still pictures, electronic reproductions, or other visual
2129 reproductions depicting;]~~

2130 ~~[(i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral~~
 2131 ~~copulation, flagellation, or any sexual acts prohibited by Utah law;]~~

2132 ~~[(ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or~~
 2133 ~~genitals;]~~

2134 ~~[(iii) scenes wherein artificial devices or inanimate objects are used to depict, or~~
 2135 ~~drawings are used to portray, any of the prohibited activities described in this Subsection (19);~~
 2136 ~~or]~~

2137 ~~[(iv) scenes wherein a person displays the vulva, anus, or the genitals.]~~

2138 ~~[(20) Nothing in Subsection (19) precludes a local authority from being more~~
 2139 ~~restrictive of acts or conduct of the type prohibited in Subsection (19).]~~

2140 ~~[(21) (a) Although live entertainment is permitted at a banquet, an on-premise banquet~~
 2141 ~~licensee may not allow any person to perform or simulate sexual acts prohibited by Utah law,~~
 2142 ~~including sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation, the~~
 2143 ~~touching, caressing, or fondling of the breast, buttocks, anus, or genitals, or the displaying of~~
 2144 ~~the pubic hair, anus, vulva, or genitals.]~~

2145 ~~[(b) Nothing in Subsection (21)(a) precludes a local authority from being more~~
 2146 ~~restrictive of acts or conduct of the type prohibited in Subsection (21)(a).]~~

2147 ~~[(22)]~~ (19) An on-premise banquet licensee may not engage in or permit any form of
 2148 gambling, or have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
 2149 Part 11, Gambling, on the premises of the:

2150 (a) hotel;

2151 (b) resort facility;

2152 (c) sports center; or

2153 (d) convention center.

2154 ~~[(23)]~~ (20) (a) An on-premise banquet licensee shall maintain accounting and such
 2155 other records and documents as the commission or department may require.

2156 (b) An on-premise banquet licensee or person acting for the on-premise banquet
 2157 licensee, who knowingly forges, falsifies, alters, cancels, destroys, conceals, or removes the

2158 entries in any of the books of account or other documents of the on-premise banquet licensee
2159 required to be made, maintained, or preserved by this title or the rules of the commission for
2160 the purpose of deceiving the commission or department, or any of their officials or employees,
2161 is subject to:

- 2162 (i) the suspension or revocation of the on-premise banquet license; and
- 2163 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.

2164 ~~[(24)]~~ (21) (a) For the purpose described in Subsection ~~[(24)]~~ (21)(b), an on-premise
2165 banquet licensee shall provide the department with advance notice of a scheduled banquet in
2166 accordance with rules made by the commission in accordance with Title 63, Chapter 46a, Utah
2167 Administrative Rulemaking Act.

2168 (b) The advance notice required by Subsection ~~[(24)]~~ (21)(a) is required to provide any
2169 of the following the opportunity to conduct a random inspection of a banquet:

- 2170 (i) an authorized representative of the commission or the department; or
- 2171 (ii) a law enforcement officer.

2172 ~~[(25)]~~ (22) An on-premise banquet licensee shall maintain at least 50% of its total
2173 annual banquet gross receipts from the sale of food, not including:

- 2174 (a) mix for alcoholic beverages; and
- 2175 (b) charges in connection with the service of alcoholic beverages.

2176 ~~[(26)]~~ (23) A person may not transfer an on-premise banquet license from one business
2177 location to another without prior written approval of the commission.

2178 ~~[(27)]~~ (24) (a) An on-premise banquet licensee may not sell, transfer, assign, exchange,
2179 barter, give, or attempt in any way to dispose of the license to any other person, whether for
2180 monetary gain or not.

2181 (b) An on-premise banquet license has no monetary value for the purpose of any type
2182 of disposition.

2183 ~~[(28)]~~ (25) (a) Room service of alcoholic beverages to a guest room of a hotel or resort
2184 facility shall be provided in person by an on-premise banquet licensee employee only to an
2185 adult guest in the guest room.

2186 (b) Alcoholic beverages may not be left outside a guest room for retrieval by a guest.

2187 (c) An on-premise banquet licensee may only provide alcoholic beverages for room
2188 service in sealed containers.

2189 Section 22. Section **32A-5-102** is amended to read:

2190 **32A-5-102. Application and renewal requirements.**

2191 (1) A club seeking a class A, B, C, or D private club license under this chapter shall
2192 file a written application with the department in a form prescribed by the department. The
2193 application shall be accompanied by:

2194 (a) a nonrefundable \$250 application fee;

2195 (b) an initial license fee of \$2,500, which is refundable if a license is not granted;

2196 (c) written consent of the local authority;

2197 (d) a copy of the applicant's current business license;

2198 (e) evidence of proximity to any public or private school, church, public library, public
2199 playground, or park, and if the proximity is within the 600 foot or 200 foot limitations of
2200 Subsections 32A-5-101(7) and (8), the application shall be processed in accordance with those
2201 subsections;

2202 (f) evidence that the applicant operates a club where a variety of food is prepared and
2203 served in connection with dining accommodations;

2204 (g) a bond as specified by Section 32A-5-106;

2205 (h) a floor plan of the club premises, including consumption areas and the area where
2206 the applicant proposes to keep and store liquor;

2207 (i) evidence that the club is carrying public liability insurance in an amount and form
2208 satisfactory to the department;

2209 (j) evidence that the club is carrying dramshop insurance coverage of at least \$500,000
2210 per occurrence and \$1,000,000 in the aggregate;

2211 (k) a copy of the club's bylaws or house rules, and any amendments to those
2212 documents, which shall be kept on file with the department at all times;

2213 (l) a signed consent form stating that the club and its management will permit any

2214 authorized representative of the commission, department, or any law enforcement officer
2215 unrestricted right to enter the club premises;

2216 (m) (i) a statement as to whether the private club is seeking to qualify as a class A, B,
2217 C, or D private club licensee; and

2218 (ii) evidence that the private club meets the requirements for the classification for
2219 which the club is applying;

2220 (n) in the case of a partnership, corporation, or limited liability company applicant,
2221 proper verification evidencing that the person or persons signing the private club application
2222 are authorized to so act on behalf of the partnership, corporation, or limited liability company;
2223 and

2224 (o) any other information the commission or department may require.

2225 (2) (a) The commission may refuse to issue a license if the commission determines that
2226 any provisions of the club's bylaws or house rules, or amendments to those documents are not:

2227 (i) reasonable; and

2228 (ii) consistent with:

2229 (A) the declared nature and purpose of the applicant; and

2230 (B) the purposes of this chapter.

2231 (b) Club bylaws or house rules shall include provisions respecting the following:

2232 (i) standards of eligibility for members;

2233 (ii) limitation of members, consistent with the nature and purpose of the private club;

2234 (iii) the period for which dues are paid, and the date upon which the period expires;

2235 (iv) provisions for dropping members for the nonpayment of dues or other cause; and

2236 (v) provisions for guests or visitors, if any, and for the issuance and use of visitor
2237 cards.

2238 (3) (a) All private club licenses expire on June 30 of each year.

2239 (b) A person desiring to renew that person's private club license shall submit by no later
2240 than May 31:

2241 (i) a completed renewal application to the department; and

2242	(ii) a renewal fee in the following amount:	
2243	Gross Cost of Liquor in Previous License Year for the Licensee	Renewal Fee
2244	under \$10,000	\$1,000
2245	equals or exceeds \$10,000 but less than \$25,000	\$1,250
2246	equals or exceeds \$25,000 but less than \$75,000	\$1,750
2247	equals or exceeds \$75,000	\$2,250[-]

2248 (c) Failure to meet the renewal requirements shall result in an automatic forfeiture of
 2249 the license effective on the date the existing license expires.

2250 (d) Renewal applications shall be in a form as prescribed by the department.

2251 (4) To ensure compliance with Subsection 32A-5-107[~~(44)~~] (40), the commission may
 2252 suspend or revoke any private club license if the private club licensee does not immediately
 2253 notify the department of any change in:

- 2254 (a) ownership of the club;
- 2255 (b) for a corporate owner, the:
 - 2256 (i) corporate officers or directors; or
 - 2257 (ii) shareholders holding at least 20% of the total issued and outstanding stock of the
 2258 corporation; or
- 2259 (c) for a limited liability company:
 - 2260 (i) managers; or
 - 2261 (ii) members owning at least 20% of the limited liability company.

2262 Section 23. Section **32A-5-107** is amended to read:

2263 **32A-5-107. Operational restrictions.**

2264 Each club granted a private club license and the employees, management personnel, and
 2265 members of the club shall comply with the following conditions and requirements. Failure to
 2266 comply may result in a suspension or revocation of the license or other disciplinary action
 2267 taken against individual employees or management personnel.

2268 (1) Each private club shall have a governing body that:

- 2269 (a) consists of three or more members of the club; and

- 2270 (b) holds regular meetings to:
- 2271 (i) review membership applications; and
- 2272 (ii) conduct any other business as required by the bylaws or house rules of the private
- 2273 club.
- 2274 (2) (a) Each private club may admit an individual as a member only on written
- 2275 application signed by the applicant, subject to:
- 2276 (i) the applicant paying an application fee as required by Subsection (4); and
- 2277 (ii) investigation, vote, and approval of a quorum of the governing body.
- 2278 (b) (i) Admissions shall be recorded in the official minutes of a regular meeting of the
- 2279 governing body.
- 2280 (ii) An application, whether approved or disapproved, shall be filed as a part of the
- 2281 official records of the licensee.
- 2282 (c) Notwithstanding Subsection (2)(a), a private club, in its discretion, may admit an
- 2283 applicant and immediately accord the applicant temporary privileges of a member until the
- 2284 governing body completes its investigation and votes on the application, subject to the
- 2285 following conditions:
- 2286 (i) the applicant shall:
- 2287 (A) submit a written application; and
- 2288 (B) pay the application fee required by Subsection (4);
- 2289 (ii) the governing body votes on the application at its next meeting which shall take
- 2290 place no later than 31 days following the day on which the application was submitted; and
- 2291 (iii) the applicant's temporary membership privileges are terminated if the governing
- 2292 body disapproves the application.
- 2293 (d) The spouse of a member of any class of private club is entitled to all the rights and
- 2294 privileges of the member:
- 2295 (i) to the extent permitted by the bylaws or house rules of the private club; and
- 2296 (ii) except to the extent restricted by this title.
- 2297 (e) The minor child of a member of a class A private club is entitled to all the rights

2298 and privileges of the member:

2299 (i) to the extent permitted by the bylaws or house rules of the private club; and

2300 (ii) except to the extent restricted by this title.

2301 (3) (a) Each private club shall maintain a current and complete membership record

2302 showing:

2303 (i) the date of application of each proposed member;

2304 (ii) each member's address;

2305 (iii) the date the governing body approved a member's admission;

2306 (iv) the date initiation fees and dues were assessed and paid; and

2307 (v) the serial number of the membership card issued to each member.

2308 (b) A current record shall also be kept indicating when members are dropped or

2309 resigned.

2310 (4) (a) Each private club shall establish in the club bylaws or house rules application

2311 fees and membership dues:

2312 (i) as established by commission rules; and

2313 (ii) which are collected from all members.

2314 (b) An application fee:

2315 (i) shall not be less than \$4;

2316 (ii) shall be paid when the applicant applies for membership; and

2317 (iii) at the discretion of the private club, may be credited toward membership dues if

2318 the governing body approves the applicant as a member.

2319 (5) (a) Each private club may, in its discretion, allow an individual to be admitted to or

2320 use the club premises as a guest only under the following conditions:

2321 (i) each guest must be previously authorized by one of the following who agrees to host

2322 the guest into the club:

2323 (A) an active member of the club; or

2324 (B) a holder of a current visitor card;

2325 (ii) each guest must be known by the guest's host based on a preexisting bonafide

- 2326 business or personal relationship with the host prior to the guest's admittance to the club;
- 2327 (iii) each guest must be accompanied by the guest's host for the duration of the guest's
2328 visit to the club;
- 2329 (iv) each guest's host must remain on the club premises for the duration of the guest's
2330 visit to the club;
- 2331 (v) each guest's host is responsible for the cost of all services extended to the guest;
- 2332 (vi) each guest enjoys only those privileges derived from the guest's host for the
2333 duration of the guest's visit to the club;
- 2334 (vii) an employee of the club, while on duty, may not act as a host for a guest;
- 2335 (viii) an employee of the club, while on duty, may not attempt to locate a member or
2336 current visitor card holder to serve as a host for a guest with whom the member or visitor card
2337 holder has no acquaintance based on a preexisting bonafide business or personal relationship
2338 prior to the guest's arrival at the club; and
- 2339 (ix) a club and its employees may not enter into an agreement or arrangement with a
2340 club member or holder of a current visitor card to indiscriminately host members of the general
2341 public into the club as guests.
- 2342 (b) Notwithstanding Subsection (5)(a), previous authorization is not required if:
- 2343 (i) the licensee is a class B private club; and
- 2344 (ii) the guest is a member of the same fraternal organization as the private club
2345 licensee.
- 2346 (6) Each private club may, in its discretion, issue visitor cards to allow individuals to
2347 enter and use the club premises on a temporary basis under the following conditions:
- 2348 (a) each visitor card shall be issued for a period not to exceed three weeks;
- 2349 (b) a fee of not less than \$4 shall be assessed for each visitor card issued;
- 2350 (c) a visitor card shall not be issued to a minor;
- 2351 (d) a holder of a visitor card may not host more than seven guests at one time;
- 2352 (e) each visitor card issued shall include:
- 2353 (i) the visitor's full name and signature;

2354 (ii) the date the card was issued;
2355 (iii) the date the card expires;
2356 (iv) the club's name; and
2357 (v) the serial number of the card; and
2358 (f) (i) the club shall maintain a current record of the issuance of each visitor card on the
2359 club premises; and
2360 (ii) the record described in Subsection (6)(f)(i) shall:
2361 (A) be available for inspection by the department; and
2362 (B) include:
2363 (I) the name of the person to whom the card was issued;
2364 (II) the date the card was issued;
2365 (III) the date the card expires; and
2366 (IV) the serial number of the card.
2367 (7) A private club may not sell alcoholic beverages to or allow any patron to be
2368 admitted to or use the club premises other than:
2369 (a) a member;
2370 (b) a visitor who holds a valid visitor card issued under Subsection (6); or
2371 (c) a guest of:
2372 (i) a member; or
2373 (ii) a holder of a current visitor card.
2374 (8) (a) A minor may not be:
2375 (i) a member, officer, director, or trustee of a private club;
2376 (ii) issued a visitor card;
2377 [~~(iii) admitted into, use, or be on the premises of a class D private club except to the~~
2378 ~~extent authorized under Subsections (8)(b) through (g);]~~
2379 [~~(iv)~~] (iii) admitted into, use, or be on the premises of any lounge or bar area, as
2380 defined by commission rule, of any private club except to the extent authorized under
2381 Subsection (8)(c)(ii); [or]

2382 ~~[(v)]~~ (iv) admitted into, use, or be on the premises of any class D private club ~~[that]:~~

2383 ~~[(A) provides sexually oriented adult entertainment as defined by commission rule or~~
2384 ~~by local ordinance; or]~~

2385 ~~[(B)]~~ (A) that operates as a sexually oriented business as defined ~~[by commission rule~~
2386 ~~or]~~ by local ordinance~~[-]; or~~

2387 (B) when a sexually oriented entertainer is performing on the premises; or

2388 (v) admitted into, use, or be on the premises of a class D private club except to the
2389 extent authorized under Subsections (8)(b) through (g).

2390 (b) ~~[At]~~ Except as provided in Subsection (8)(a)(iv), at the discretion of a class D
2391 private club, a minor may be admitted into, use, or be on the premises of a class D private club
2392 under the following circumstances:

2393 (i) during periods when no alcoholic beverages are sold, served, otherwise furnished,
2394 or consumed on the premises, but in no event later than 1 p.m.;

2395 (ii) when accompanied at all times by a member or holder of a current visitor card who
2396 is the minor's parent, legal guardian, or spouse; and

2397 (iii) the private club has a full kitchen and is licensed by the local jurisdiction as a food
2398 service provider.

2399 (c) A minor may be employed by a class D private club on the premises of the club if:

2400 (i) the parent or legal guardian of the minor owns or operates the class D private club;

2401 or

2402 (ii) the minor performs maintenance and cleaning services during the hours when the
2403 club is not open for business.

2404 (d) (i) Subject to Subsection (8)(d)(ii), a minor who is at least 18 years of age may be
2405 admitted into, use, or be on the premises of a dance or concert hall if:

2406 (A) the dance or concert hall is located:

2407 (I) on the premises of a class D private club; or

2408 (II) on the property that immediately adjoins the premises of and is operated by a class
2409 D private club; and

2410 (B) the commission has issued the class D private club a permit to operate a minor
2411 dance or concert hall based on the criteria described in Subsection (8)(d)(iii).

2412 (ii) If the dance or concert hall is located on the premises of a class D private club, a
2413 minor must be properly hosted in accordance with Subsection (5) by:

2414 (A) a member; or

2415 (B) a holder of a current visitor card.

2416 (iii) The commission may issue a minor dance or concert hall permit if:

2417 (A) the club's lounge, bar, and alcoholic beverage consumption area is:

2418 (I) not accessible to minors;

2419 (II) clearly defined; and

2420 (III) separated from the dance or concert hall area by walls, multiple floor levels, or
2421 other substantial physical barriers;

2422 (B) any bar or dispensing area is not visible to minors;

2423 (C) no consumption of alcoholic beverages may occur in:

2424 (I) the dance or concert hall area; or

2425 (II) any area of the club accessible to a minor;

2426 (D) the club maintains sufficient security personnel to prevent the passing of beverages
2427 from the club's lounge, bar, or alcoholic beverage consumption areas to:

2428 (I) the dance or concert hall area; or

2429 (II) any area of the club accessible to a minor;

2430 (E) there are separate entrances, exits, and restroom facilities from the club's lounge,
2431 bar, and alcoholic beverage consumption areas than for:

2432 (I) the dance or concert hall area; or

2433 (II) any area accessible to a minor; and

2434 (F) the club complies with any other restrictions imposed by the commission by rule.

2435 (e) A minor under 18 years of age who is accompanied at all times by a parent or legal
2436 guardian who is a member or holder of a current visitor card may be admitted into, use, or be
2437 on the premises of a concert hall described in Subsection (8)(d)(i) if:

- 2438 (i) all requirements of Subsection (8)(d) are met; and
- 2439 (ii) all signage, product, and dispensing equipment containing recognition of alcoholic
- 2440 beverages is not visible to the minor.
- 2441 (f) A minor under 18 years of age but who is 14 years of age or older who is not
- 2442 accompanied by a parent or legal guardian may be admitted into, use, or be on the premises of
- 2443 a concert hall described in Subsection (8)(d)(i) if:
- 2444 (i) all requirements of Subsections (8)(d) and (8)(e)(ii) are met; and
- 2445 (ii) there is no alcoholic beverage, sales, service, or consumption on the premises of the
- 2446 class D private club.
- 2447 (g) The commission may suspend or revoke a minor dance or concert permit issued to
- 2448 a class D private club and suspend or revoke the license of the class D private club if:
- 2449 (i) the club fails to comply with the restrictions in Subsection (8)(d), (e), or (f);
- 2450 (ii) the club sells, serves, or otherwise furnishes alcoholic beverages to a minor;
- 2451 (iii) the licensee or a supervisory or managerial level employee of the private club is
- 2452 convicted under Title 58, Chapter 37, Utah Controlled Substances Act, on the basis of activities
- 2453 that occurred on:
- 2454 (A) the licensed premises; or
- 2455 (B) the dance or concert hall that is located on property that immediately adjoins the
- 2456 premises of and is operated by the class D private club;
- 2457 (iv) there are three or more convictions of patrons of the private club under Title 58,
- 2458 Chapter 37, Utah Controlled Substances Act, based on activities that occurred on:
- 2459 (A) the licensed premises; or
- 2460 (B) the dance or concert hall that is located on property that immediately adjoins the
- 2461 premises of and is operated by the class D private club;
- 2462 (v) there is more than one conviction:
- 2463 (A) of:
- 2464 (I) the licensee;
- 2465 (II) an employee of the licensee;

2466 (III) an entertainer contracted by the licensee; or
2467 (IV) a patron of the private club; and
2468 (B) made on the basis of lewd acts or lewd entertainment prohibited by this title that
2469 occurred on:

2470 (I) the licensed premises; or
2471 (II) the dance or concert hall that is located on property that immediately adjoins the
2472 premises of and is operated by the class D private club; or

2473 (vi) the commission finds acts or conduct contrary to the public welfare and morals
2474 involving lewd acts or lewd entertainment prohibited by this title that occurred on:

2475 (A) the licensed premises; or
2476 (B) the dance or concert hall that is located on property that immediately adjoins the
2477 premises of and is operated by the class D private club.

2478 (h) Nothing in this Subsection (8) shall prohibit a class D private club from selling,
2479 serving, or otherwise furnishing alcoholic beverages in a dance or concert area located on the
2480 club premises on days and times when the club does not allow minors into those areas.

2481 (i) Nothing in Subsections (8)(a) through (g) precludes a local authority from being
2482 more restrictive of a minor's admittance to, use of, or presence on the premises of any private
2483 club.

2484 [~~(9) An employee of a club, while on duty, may not:~~]

2485 [~~(a) consume an alcoholic beverage;~~]

2486 [~~(b) be intoxicated; or~~]

2487 [~~(c) act as a host for a guest.~~]

2488 [~~(10)~~] (9) (a) Each private club shall maintain an expense ledger or record showing in
2489 detail all expenditures separated by payments for:

2490 (i) malt or brewed beverages;

2491 (ii) liquor;

2492 (iii) food;

2493 (iv) detailed payroll;

- 2494 (v) entertainment;
- 2495 (vi) rent;
- 2496 (vii) utilities;
- 2497 (viii) supplies; and
- 2498 (ix) all other expenditures.
- 2499 (b) The record required by this Subsection [~~(10)~~] (9) shall be:
- 2500 (i) kept in a form approved by the department; and
- 2501 (ii) balanced each month.
- 2502 (c) Each expenditure shall be supported by:
- 2503 (i) delivery tickets;
- 2504 (ii) invoices;
- 2505 (iii) receipted bills;
- 2506 (iv) canceled checks;
- 2507 (v) petty cash vouchers; or
- 2508 (vi) other sustaining data or memoranda.
- 2509 (d) All invoices and receipted bills for the current calendar or fiscal year documenting
- 2510 purchases made by the club shall also be maintained.
- 2511 [~~(11)~~] (10) (a) Each private club shall maintain a minute book that is posted currently
- 2512 by the club.
- 2513 (b) The minute book required by this Subsection [~~(11)~~] (10) shall contain the minutes
- 2514 of all regular and special meetings of the governing body.
- 2515 (c) Membership lists shall also be maintained.
- 2516 [~~(12)~~] (11) (a) Each private club shall maintain current copies of the club's current
- 2517 bylaws and current house rules.
- 2518 (b) Changes in the bylaws or house rules:
- 2519 (i) are not effective unless submitted to the department within ten days after adoption;
- 2520 and
- 2521 (ii) become effective 15 days after received by the department unless rejected by the

2522 department before the expiration of the 15-day period.

2523 ~~[(13)]~~ (12) Each private club shall maintain accounting and other records and
2524 documents as the department may require.

2525 ~~[(14)]~~ (13) Any club or person acting for the club, who knowingly forges, falsifies,
2526 alters, cancels, destroys, conceals, or removes the entries in any of the books of account or
2527 other documents of the club required to be made, maintained, or preserved by this title or the
2528 rules of the commission for the purpose of deceiving the commission or the department, or any
2529 of their officials or employees, is subject to:

2530 (a) the suspension or revocation of the club's license; and

2531 (b) possible criminal prosecution under Chapter 12, Criminal Offenses.

2532 ~~[(15)]~~ (14) (a) Each private club shall maintain and keep all the records required by this
2533 section and all other books, records, receipts, and disbursements maintained or used by the
2534 licensee, as the department requires, for a minimum period of three years.

2535 (b) All records, books, receipts, and disbursements are subject to inspection by
2536 authorized representatives of the commission and the department.

2537 (c) The club shall allow the department, through its auditors or examiners, to audit all
2538 records of the club at times the department considers advisable.

2539 (d) The department shall audit the records of the licensee at least once annually.

2540 ~~[(16)]~~ (15) Each private club shall own or lease premises suitable for the club's
2541 activities.

2542 ~~[(17)]~~ (16) (a) A private club may not maintain facilities in any manner that barricades
2543 or conceals the club operation.

2544 (b) Any member of the commission, authorized department personnel, or any peace
2545 officer shall, upon presentation of credentials, be admitted immediately to the club and
2546 permitted without hindrance or delay to inspect completely the entire club premises and all
2547 books and records of the licensee, at any time during which the same are open for the
2548 transaction of business to its members.

2549 ~~[(18)]~~ (17) Any public advertising related to a private club by the following shall

2550 clearly identify a club as being "a private club for members":

2551 (a) the private club;

2552 (b) the employees or agents of the private club; or

2553 (c) any person under a contract or agreement with the club.

2554 [~~(19)~~] (18) A private club must have food available at all times when alcoholic
2555 beverages are sold, served, or consumed on the premises.

2556 [~~(20)~~] (19) (a) Liquor may not be purchased by a private club licensee except from
2557 state stores or package agencies.

2558 (b) Liquor purchased in accordance with Subsection [~~(20)~~] (19)(a) may be transported
2559 by the licensee from the place of purchase to the licensed premises.

2560 (c) Payment for liquor shall be made in accordance with rules established by the
2561 commission.

2562 [~~(21)~~] (20) A private club licensee may sell or provide any primary spirituous liquor
2563 only in a quantity not to exceed one ounce per beverage dispensed through a calibrated metered
2564 dispensing system approved by the department in accordance with commission rules adopted
2565 under this title, except that:

2566 (a) spirituous liquor need not be dispensed through a calibrated metered dispensing
2567 system if used as a secondary flavoring ingredient in a beverage subject to the following
2568 restrictions:

2569 (i) the secondary ingredient may be dispensed only in conjunction with the purchase of
2570 a primary spirituous liquor;

2571 (ii) the secondary ingredient is not the only spirituous liquor in the beverage;

2572 (iii) the private club licensee shall designate a location where flavorings are stored on
2573 the floor plan provided to the department; and

2574 (iv) all flavoring containers shall be plainly and conspicuously labeled "flavorings";

2575 (b) spirituous liquor need not be dispensed through a calibrated metered dispensing
2576 system if used:

2577 (i) as a flavoring on desserts; and

2578 (ii) in the preparation of flaming food dishes, drinks, and desserts; and
2579 (c) each club patron may have no more than 2.75 ounces of spirituous liquor at a time
2580 before the patron.

2581 [~~(22)~~] (21) (a) (i) Wine may be sold and served by the glass or an individual portion
2582 not to exceed five ounces per glass or individual portion.

2583 (ii) An individual portion may be served to a patron in more than one glass as long as
2584 the total amount of wine does not exceed five ounces.

2585 (iii) An individual portion of wine is considered to be one alcoholic beverage under
2586 Subsection [~~(26)~~] (25)(c).

2587 (b) (i) Wine may be sold and served in containers not exceeding 1.5 liters at prices
2588 fixed by the commission to tables of four or more persons.

2589 (ii) Wine may be sold and served in containers not exceeding 750 [~~ml~~] milliliters at
2590 prices fixed by the commission to tables of less than four persons.

2591 (c) A wine service may be performed and a service charge assessed by the private club
2592 as authorized by commission rule for wine purchased at the private club.

2593 [~~(23)~~] (22) (a) Heavy beer may be served in original containers not exceeding one liter
2594 at prices fixed by the commission.

2595 (b) A service charge may be assessed by the private club for heavy beer purchased at
2596 the private club.

2597 [~~(24)~~] (23) (a) (i) Subject to Subsection [~~(24)~~] (23)(a)(ii), a private club licensed to sell
2598 liquor may sell beer for on-premise consumption:

2599 (A) in an open container; and

2600 (B) on draft.

2601 (ii) Beer sold pursuant to Subsection [~~(24)~~] (23)(a)(i) shall be in a size of container that
2602 does not exceed two liters, except that beer may not be sold to an individual patron in a size of
2603 container that exceeds one liter.

2604 (b) (i) A private club licensed under this chapter that sells beer pursuant to Subsection
2605 [~~(24)~~] (23)(a):

2606 (A) may do so without obtaining a separate on-premise beer retailer license from the
2607 commission; and

2608 (B) shall comply with all appropriate operational restrictions under Chapter 10, Beer
2609 Retailer Licenses, that apply to on-premise beer retailers except when those restrictions are
2610 inconsistent with or less restrictive than the operational restrictions under this chapter.

2611 (ii) Failure to comply with the operational restrictions under Chapter 10, Beer Retailer
2612 Licenses, required by Subsection [~~(24)~~] (23)(b)(i) may result in a suspension or revocation of
2613 the private club's:

2614 (A) state liquor license; and

2615 (B) alcoholic beverage license issued by the local authority.

2616 [~~(25)~~] (24) Alcoholic beverages may not be stored, served, or sold in any place other
2617 than as designated in the licensee's application, unless the licensee first applies for and receives
2618 approval from the department for a change of location within the private club.

2619 [~~(26)~~] (25) (a) A patron may only make alcoholic beverage purchases in the private
2620 club from and be served by a person employed, designated, and trained by the licensee to sell,
2621 dispense, and serve alcoholic beverages.

2622 (b) Notwithstanding Subsection [~~(26)~~] (25)(a), a patron who has purchased bottled
2623 wine from an employee of the private club or has carried bottled wine onto the premises of the
2624 private club pursuant to Subsection [~~(32)~~] (31) may thereafter serve wine from the bottle to the
2625 patron or others at the patron's table.

2626 (c) Each club patron may have no more than two alcoholic beverages of any kind at a
2627 time before the patron.

2628 [~~(27)~~] (26) The liquor storage area shall remain locked at all times other than those
2629 hours and days when liquor sales and service are authorized by law.

2630 [~~(28)~~] (27) (a) Liquor may not be sold, offered for sale, served, or otherwise furnished
2631 at a private club during the following days or hours:

2632 (i) until after the polls are closed on the day of any:

2633 (A) regular general election;

- 2634 (B) regular primary election; or
- 2635 (C) statewide special election;
- 2636 (ii) until after the polls are closed on the day of any municipal, special district, or
- 2637 school election, but only:
 - 2638 (A) within the boundaries of the municipality, special district, or school district; and
 - 2639 (B) if required by local ordinance; and
 - 2640 (iii) on any other day after 1 a.m. and before 10 a.m.
- 2641 (b) The hours of beer sales and service are those specified in Chapter 10, Beer Retailer
- 2642 Licenses, for on-premise beer licenses.
- 2643 (c) (i) Notwithstanding Subsections [~~(28)~~] (27)(a) and (b), a private club shall remain
- 2644 open for one hour after the private club ceases the sale and service of alcoholic beverages
- 2645 during which time a patron of the club may finish consuming:
 - 2646 (A) any single drink containing spirituous liquor;
 - 2647 (B) a single serving of wine not exceeding five ounces;
 - 2648 (C) a single serving of heavy beer; or
 - 2649 (D) a single serving of beer not exceeding 26 ounces.
- 2650 (ii) A club is not required to remain open:
 - 2651 (A) after all patrons have vacated the premises; or
 - 2652 (B) during an emergency.
- 2653 (d) Between the hours of 2 a.m. and 10 a.m. on any day a private club may not allow a
- 2654 patron to remain on the premises to consume alcoholic beverages on the premises.
- 2655 [~~(29)~~] (28) Alcoholic beverages may not be sold, served, or otherwise furnished to any:
- 2656 (a) minor;
- 2657 (b) person actually, apparently, or obviously intoxicated;
- 2658 (c) known habitual drunkard; or
- 2659 (d) known interdicted person.
- 2660 [~~(30)~~] (29) (a) (i) Liquor may be sold only at prices fixed by the commission.
- 2661 (ii) Liquor may not be sold at discount prices on any date or at any time.

2662 (b) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverage
2663 to the licensee.

2664 (c) An alcoholic beverage may not be sold at a special or reduced price that encourages
2665 over consumption or intoxication.

2666 (d) The price of a single serving of a primary spirituous liquor shall be the same
2667 whether served as a single drink or in conjunction with another alcoholic beverage.

2668 (e) An alcoholic beverage may not be sold at a special or reduced price for only certain
2669 hours of the private club's business day such as a "happy hour."

2670 (f) The sale or service of more than one alcoholic beverage for the price of a single
2671 alcoholic beverage is prohibited.

2672 (g) The sale or service of an indefinite or unlimited number of alcoholic beverages
2673 during any set period for a fixed price is prohibited.

2674 (h) A private club licensee may not engage in a promotion involving or offering free
2675 alcoholic beverages to patrons of the club.

2676 [~~31~~] (30) Alcoholic beverages may not be purchased for a patron of the private club
2677 by:

2678 (a) the licensee; or

2679 (b) any employee or agent of the licensee.

2680 [~~32~~] (31) (a) A person may not bring onto the premises of a private club licensee any
2681 alcoholic beverage for on-premise consumption, except a person may bring, subject to the
2682 discretion of the licensee, bottled wine onto the premises of any private club licensee for
2683 on-premise consumption.

2684 (b) Except bottled wine under Subsection [~~32~~] (31)(a), a private club or its officers,
2685 managers, employees, or agents may not allow:

2686 (i) a person to bring onto the private club premises any alcoholic beverage for
2687 consumption on the private club premises; or

2688 (ii) consumption of alcoholic beverages described in Subsection [~~32~~] (31)(b)(i) on the
2689 premises of the private club.

2690 (c) If bottled wine is carried in by a patron, the patron shall deliver the wine to a server
2691 or other representative of the licensee upon entering the private club.

2692 (d) A wine service may be performed and a service charge assessed by the private club
2693 as authorized by commission rule for wine carried in by a patron.

2694 [~~33~~] (32) (a) Except as provided in Subsection [~~33~~] (32)(b), a private club and its
2695 employees may not permit a patron of the club to carry from the club premises an open
2696 container that:

2697 (i) is used primarily for drinking purposes; and

2698 (ii) contains any alcoholic beverage.

2699 (b) A patron may remove the unconsumed contents of a bottle of wine if before
2700 removal the bottle has been recorked or recapped.

2701 [~~34~~] (33) (a) A minor may not be employed by any class A, B, or C private club to
2702 sell, dispense, or handle any alcoholic beverage.

2703 (b) Notwithstanding Subsection [~~34~~] (33)(a), a minor who is at least 16 years of age
2704 may be employed by a class A or C private club to enter the sale at a cash register or other sales
2705 recording device.

2706 (c) Except to the extent authorized in Subsection (8)(c), a minor may not be employed
2707 by or be on the premises of any class D private club.

2708 (d) A minor may not be employed to work in any lounge or bar area of any class A, B,
2709 or C private club.

2710 [~~35~~] (34) An employee of a private club, while on duty, may not:

2711 (a) consume an alcoholic beverage; or

2712 (b) be intoxicated.

2713 [~~36~~] (35) (a) A private club may not charge for the service or supply of glasses, ice,
2714 or mixers unless:

2715 (i) the charges are fixed in the house rules of the club; and

2716 (ii) a copy of the house rules is kept on the club premises and available at all times for
2717 examination by patrons of the club.

2718 (b) A charge or fee made in connection with the sale, service, or consumption of liquor
2719 may be stated in food or alcoholic beverage menus including:

- 2720 (i) a set-up charge;
- 2721 (ii) a service charge; or
- 2722 (iii) a chilling fee.

2723 ~~[(37)]~~ (36) Each private club licensee shall display in a prominent place in the private
2724 club:

- 2725 (a) the private club license that is issued by the department;
- 2726 (b) a list of the types and brand names of liquor being served through its calibrated
2727 metered dispensing system; and
- 2728 (c) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
2729 drugs is a serious crime that is prosecuted aggressively in Utah."

2730 ~~[(38) The following acts or conduct in a private club licensed under this chapter are
2731 considered contrary to the public welfare and morals, and are prohibited upon the premises:]~~

2732 ~~[(a) employing or using any person in the sale or service of alcoholic beverages while
2733 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
2734 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
2735 buttocks, vulva, or genitals;]~~

2736 ~~[(b) employing or using the services of any person to mingle with the patrons while the
2737 person is unclothed or in attire, costume, or clothing described in Subsection (38)(a);]~~

2738 ~~[(c) encouraging or permitting any person to touch, caress, or fondle the breasts,
2739 buttocks, anus, or genitals of any other person;]~~

2740 ~~[(d) permitting any employee or person to wear or use any device or covering, exposed
2741 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;]~~

2742 ~~[(e) permitting any person to use artificial devices or inanimate objects to depict any of
2743 the prohibited activities described in this Subsection (38);]~~

2744 ~~[(f) permitting any person to remain in or upon the premises who exposes to public
2745 view any portion of his or her genitals or anus; or]~~

2746 ~~[(g) showing films, still pictures, electronic reproductions, or other visual~~
 2747 ~~reproductions depicting:]~~

2748 ~~[(i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral~~
 2749 ~~copulation, flagellation, or any sexual acts prohibited by Utah law;]~~

2750 ~~[(ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or~~
 2751 ~~genitals;]~~

2752 ~~[(iii) scenes wherein artificial devices or inanimate objects are used to depict, or~~
 2753 ~~drawings are used to portray, any of the prohibited activities described in this Subsection (38);~~
 2754 ~~or]~~

2755 ~~[(iv) scenes wherein a person displays the vulva or the anus or the genitals.];]~~

2756 ~~[(39) Nothing in Subsection (38) precludes a local authority from being more~~
 2757 ~~restrictive of acts or conduct of the type prohibited in Subsection (38).]~~

2758 ~~[(40) (a) Although live entertainment is permitted on the premises of a club liquor~~
 2759 ~~licensee, a licensee may not allow any person to perform or simulate sexual acts prohibited by~~
 2760 ~~Utah law, including sexual intercourse, masturbation, sodomy, bestiality, oral copulation,~~
 2761 ~~flagellation, or the touching, caressing, or fondling of the breast, buttocks, anus, or genitals, or~~
 2762 ~~the displaying of the pubic hair, anus, vulva, or genitals. Entertainers shall perform only upon~~
 2763 ~~a stage or at a designated area approved by the commission.]~~

2764 ~~[(b) Nothing in Subsection (40)(a) precludes a local authority from being more~~
 2765 ~~restrictive of acts or conduct of the type prohibited in Subsection (40)(a).]~~

2766 ~~[(41)]~~ (37) A private club may not engage in or permit any form of gambling, or have
 2767 any video gaming device, as defined and proscribed in Title 76, Chapter 10, Part 11, Gambling,
 2768 on the premises of the private club.

2769 ~~[(42)]~~ (38) (a) A private club may not close or cease operation for a period longer than
 2770 240 hours, unless:

2771 (i) the private club licensee notifies the department in writing at least seven days before
 2772 the closing; and

2773 (ii) the closure or cessation of operation is first approved by the department.

2774 (b) Notwithstanding Subsection [~~(42)~~] (38)(a), in the case of emergency closure,
2775 immediate notice of closure shall be made to the department by telephone.

2776 (c) The department may authorize a closure or cessation of operation for a period not to
2777 exceed 60 days. The department may extend the initial period an additional 30 days upon
2778 written request of the private club and upon a showing of good cause. A closure or cessation of
2779 operation may not exceed a total of 90 days without commission approval.

2780 (d) The notice required by Subsection [~~(42)~~] (38)(a) shall include:

2781 (i) the dates of closure or cessation of operation;

2782 (ii) the reason for the closure or cessation of operation; and

2783 (iii) the date on which the licensee will reopen or resume operation.

2784 (e) Failure of the licensee to provide notice and to obtain department authorization
2785 prior to closure or cessation of operation shall result in an automatic forfeiture of:

2786 (i) the license; and

2787 (ii) the unused portion of the license fee for the remainder of the license year effective
2788 immediately.

2789 (f) Failure of the licensee to reopen or resume operation by the approved date shall
2790 result in an automatic forfeiture of:

2791 (i) the license; and

2792 (ii) the unused portion of the club's license fee for the remainder of the license year.

2793 [~~(43)~~] (39) A private club license may not be transferred from one location to another,
2794 without prior written approval of the commission.

2795 [~~(44)~~] (40) (a) A private club licensee, may not sell, transfer, assign, exchange, barter,
2796 give, or attempt in any way to dispose of the license to any other person, whether for monetary
2797 gain or not.

2798 (b) A private club license has no monetary value for the purpose of any type of
2799 disposition.

2800 Section 24. Section **32A-6-301** is amended to read:

2801 **32A-6-301. Application requirements.**

2802 (1) Each application for an industrial or manufacturing use permit shall, in addition to
2803 the requirements of Section 32A-6-102, include:

2804 (a) a nonrefundable \$50 application fee;
2805 (b) a \$200 one-time special use permit fee;
2806 (c) a cash or corporate surety bond in the penal sum of \$1,000 payable to the
2807 department, which the permittee has procured and must maintain for so long as the permittee
2808 continues to operate as a special use permittee;

2809 (d) written consent of the local authority; and

2810 (e) a floor plan of the immediate area within the premises in which the applicant
2811 proposes that alcoholic products be stored, used, mixed, sold, or consumed.

2812 (2) (a) The bond required under Subsection (1) shall be:

2813 (i) in a form approved by the attorney general; and

2814 (ii) conditioned upon the permittee's faithful compliance with this title and the rules of
2815 the commission.

2816 (b) If the surety bond is cancelled due to the permittee's negligence, a \$300
2817 reinstatement fee may be assessed.

2818 (c) No part of any cash or corporate bond [~~so~~] posted under this section may be
2819 withdrawn during the period the permit is in effect.

2820 (d) A bond filed by a permittee may be forfeited if the permit is finally revoked.

2821 (3) Any person desiring a special use permit to produce gasohol or any alcoholic
2822 product shall provide evidence to the department that an approved Notice of Registration of
2823 Distilled Spirits Plant and the appropriate permit from the Federal Alcohol and Tobacco Tax
2824 and Trade Bureau [~~of Alcohol, Tobacco and Firearms~~] has been obtained by the person.

2825 Section 25. Section **32A-6-302** is amended to read:

2826 **32A-6-302. Operational restrictions.**

2827 [~~A permittee may not denature alcohol for the purpose of experimentation, testing, or~~
2828 ~~fuel use, except and unless done~~] In addition to the restrictions, conditions, and requirements of
2829 Section 32A-6-105, each industrial or manufacturing use permit is subject to the following

2830 operating restrictions:

2831 (1) An industrial or manufacturer permittee may produce for lawful use and sale the
2832 following:

2833 (a) vinegar;

2834 (b) preserved nonintoxicating cider;

2835 (c) food preparations;

2836 (d) a United States Pharmacopoeia or national formulary preparation in conformity
2837 with Title 58, Chapters 17b, 37, 37a, 37b, and 37c, if the preparation:

2838 (i) conforms to standards established by:

2839 (A) the Department of Agriculture and Food; and

2840 (B) the Department of Health; and

2841 (ii) contains no more alcohol than is necessary to preserve or extract the medicinal,
2842 flavoring, or perfumed properties of the treated substances; and

2843 (e) wood and denatured alcohol if manufactured in compliance with the formulas and
2844 regulations under Title 27, Code of Federal Regulations, [Sections 212.10 through 212.38]
2845 Parts 19, 20, and 21.

2846 (2) (a) An industrial or manufacturer permittee that produces patent or proprietary
2847 medicines containing alcohol may sell the medicines in the original and unbroken package if
2848 the medicine contains sufficient medication to prevent its use as an alcoholic beverage.

2849 (b) An industrial or manufacturer permittee described in this Subsection (2) shall, upon
2850 request by the department, provide a sufficient sample of the medicine to enable the department
2851 to have the medicine analyzed for purposes of this section.

2852 Section 26. Section **32A-7-106** is amended to read:

2853 **32A-7-106. Operational restrictions.**

2854 (1) (a) Any organization granted a single event permit and any person involved in the
2855 storage, sale, or service of alcoholic beverages at the event for which the permit is issued, shall
2856 abide by:

2857 (i) this title;

2858 (ii) the rules of the commission; and
2859 (iii) the special conditions and requirements provided in this section.
2860 (b) Failure to comply with Subsection (1)(a):
2861 (i) may result in:
2862 (A) an immediate revocation of the permit;
2863 (B) forfeiture of the surety bond; and
2864 (C) immediate seizure of all alcoholic beverages present at the event; and
2865 (ii) disqualifies the organization from applying for a single event permit under this
2866 chapter, or a temporary special event beer permit under Chapter 10, Part 3, Temporary Special
2867 Event Beer Permits, for a period of three years from the date of revocation of the permit.
2868 (c) Any alcoholic beverages seized under this Subsection (1) shall be returned to the
2869 organization after the event if forfeiture proceedings are not instituted under Section
2870 32A-13-103.
2871 (2) Special conditions and requirements for single event permittees include the
2872 following:
2873 (a) (i) All persons involved in the storage, sale, or service of alcoholic beverages at the
2874 event do so under the supervision and direction of the permittee.
2875 (ii) All persons involved in the sale or service of alcoholic beverages at the event may
2876 not, while on duty:
2877 (A) consume an alcoholic beverage; or
2878 (B) be intoxicated.
2879 (b) (i) All liquor stored, sold, served, and consumed at the event shall be purchased by
2880 the permittee from a state store or package agency.
2881 (ii) All beer purchased by the permittee shall be purchased from:
2882 (A) a licensed beer wholesaler; or
2883 (B) a licensed beer retailer.
2884 (iii) All alcoholic beverages are considered under the control of the permittee during
2885 the event.

2886 (iv) Attendees of the event may not bring any alcoholic beverages onto the premises of
2887 the event.

2888 (c) A permittee may not charge more than the maximum amount set forth in the permit
2889 for any alcoholic beverage.

2890 (d) Each permittee shall post in a prominent place in the area in which alcoholic
2891 beverages are being sold, served, and consumed, a copy of the permit, together with a list of the
2892 operational restrictions and requirements of single event permittees set forth in this section.

2893 (e) Alcoholic beverages purchased for the event may not be stored, sold, served, or
2894 consumed in any location other than that described in the application and designated on the
2895 permit unless the permittee first applies for and receives approval from the commission for a
2896 change of location.

2897 (f) (i) A single event permittee may sell or provide a primary spirituous liquor only in a
2898 quantity not to exceed one ounce per beverage except that additional spirituous liquor may be
2899 used in a beverage if:

2900 (A) used as a secondary flavoring ingredient;

2901 (B) used in conjunction with the primary spirituous liquor;

2902 (C) the secondary ingredient is not the only spirituous liquor in the beverage; and

2903 (D) each attendee may have no more than 2.75 ounces of spirituous liquor at a time
2904 before the attendee.

2905 (ii) Spirituous liquor need not be dispensed through a calibrated metered dispensing
2906 system.

2907 (g) (i) (A) Wine may be sold and served by the glass or an individual portion that does
2908 not exceed five ounces per glass or individual portion.

2909 (B) An individual portion may be served to an attendee in more than one glass as long
2910 as the total amount of wine does not exceed five ounces.

2911 (C) An individual portion of wine is considered to be one alcoholic beverage under
2912 Subsection (2)(p).

2913 (ii) Wine may be sold and served in containers not exceeding 1.5 liters at prices fixed

2914 by the commission.

2915 (iii) A wine service may be performed and a service charge assessed by the single event
2916 permittee as authorized by commission rule for wine purchased at the event.

2917 (h) (i) Heavy beer may be served in original containers not exceeding one liter at prices
2918 fixed by the commission.

2919 (ii) A service charge may be assessed by the single event permittee as authorized by
2920 commission rule for heavy beer purchased at the event.

2921 (i) (i) Subject to Subsection (2)(i)(ii), beer may be sold for on-premise consumption:

2922 (A) in an open container; and

2923 (B) on draft.

2924 (ii) Beer sold pursuant to Subsection (2)(i)(i) shall be in a size of container that does
2925 not exceed two liters, except that beer may not be sold to an individual attendee in a size of
2926 container that exceeds one liter.

2927 (j) (i) Alcoholic beverages may not be sold, served, or consumed between the hours of
2928 1 a.m. and 10 a.m.

2929 (ii) This Subsection (2)(j) does not preclude a local authority from being more
2930 restrictive with respect to the hours of sale, service, or consumption of alcoholic beverages at a
2931 temporary single event.

2932 (k) Alcoholic beverages may not be sold, served, or otherwise furnished until after the
2933 polls are closed on the day of any:

2934 (i) regular general election;

2935 (ii) regular primary election; or

2936 (iii) statewide special election.

2937 (l) Alcoholic beverages may not be sold, served, or otherwise furnished to any:

2938 (i) minor;

2939 (ii) person actually, apparently, or obviously intoxicated;

2940 (iii) known habitual drunkard; or

2941 (iv) known interdicted person.

- 2942 (m) (i) (A) Liquor may be sold only at prices fixed by the commission.
2943 (B) Liquor may not be sold at discount prices on any date or at any time.
2944 (ii) Alcoholic beverages may not be sold at less than the cost of the alcoholic beverage
2945 to the permittee.
2946 (iii) An alcoholic beverage may not be sold at a price that encourages over
2947 consumption or intoxication.
2948 (iv) An alcoholic beverage may not be sold at a special or reduced price for only
2949 certain hours of the day of the permitted event.
2950 (v) The sale or service of more than one alcoholic beverage for the price of a single
2951 alcoholic beverage is prohibited.
2952 (vi) The permittee may not engage in a public promotion involving or offering free
2953 alcoholic beverages to the general public.
2954 (n) A single event permittee and its employees may not permit an attendee to carry
2955 from the premises an open container that:
2956 (i) is used primarily for drinking purposes; and
2957 (ii) contains any alcoholic beverage.
2958 (o) A minor may not sell, serve, dispense, or handle any alcoholic beverage at the
2959 event.
2960 (p) Each attendee may have no more than one alcoholic beverage of any kind at a time
2961 before the patron.
2962 ~~[(3) The following acts or conduct at an event for which a permit is issued under this~~
2963 ~~chapter are considered contrary to the public welfare and morals, and are prohibited upon the~~
2964 ~~premises:]~~
2965 ~~[(a) employing or using any person in the sale or service of alcoholic beverages while~~
2966 ~~the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the~~
2967 ~~female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the~~
2968 ~~buttocks, vulva, or genitals;]~~
2969 ~~[(b) employing or using the services of any person to mingle with the patrons while the~~

2970 person is unclothed or in attire, costume, or clothing described in Subsection (3)(a);]
2971 [~~(e) encouraging or permitting any person to touch, caress, or fondle the breasts;~~
2972 ~~buttocks, anus, or genitals of any other person;~~]
2973 [~~(d) permitting any employee or person to wear or use any device or covering, exposed~~
2974 ~~to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;~~]
2975 [~~(e) permitting any person to use artificial devices or inanimate objects to depict any of~~
2976 ~~the prohibited activities described in this Subsection (3);]~~
2977 [~~(f) permitting any person to remain in or upon the premises who exposes to public~~
2978 ~~view any portion of his or her genitals or anus;~~]
2979 [~~(g) showing films, still pictures, electronic reproductions, or other visual~~
2980 ~~reproductions depicting;~~]
2981 [~~(i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral~~
2982 ~~copulation, flagellation, or any sexual acts prohibited by Utah law;~~]
2983 [~~(ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or~~
2984 ~~genitals;~~]
2985 [~~(iii) scenes wherein artificial devices or inanimate objects are used to depict, or~~
2986 ~~drawings are used to portray, any of the prohibited activities described in this Subsection (3);~~
2987 ~~or]~~
2988 [~~(iv) scenes wherein a person displays the vulva or the anus or the genitals.]~~
2989 [~~(4) Nothing in Subsection (3) precludes a local authority from being more restrictive~~
2990 ~~of acts or conduct of the type prohibited in Subsection (3).]~~
2991 [~~(5) (a) Although live entertainment is permitted at the event for which a permit has~~
2992 ~~been issued under this chapter, a permittee may not allow any person to perform or simulate~~
2993 ~~sexual acts prohibited by Utah law, including sexual intercourse, masturbation, sodomy,~~
2994 ~~bestiality, oral copulation, flagellation, the touching, caressing, or fondling of the breast,~~
2995 ~~buttocks, anus, or genitals, or the displaying of the pubic hair, anus, vulva, or genitals.~~
2996 ~~Entertainers shall perform only upon a stage or at a designated area approved by the~~
2997 ~~commission.]~~

2998 ~~[(b) Nothing in Subsection (5)(a) precludes a local authority from being more~~
2999 ~~restrictive of acts or conduct of the type prohibited in Subsection (5)(a).]~~

3000 ~~[(6)]~~ (3) The permittee shall maintain an expense and revenue ledger or record
3001 showing:

3002 (a) expenditures made for liquor and beer, set-ups, and other ingredients and
3003 components of alcoholic beverages; and

3004 (b) the revenue from sale of alcoholic beverages.

3005 ~~[(7)]~~ (4) A single event permit may not be transferred.

3006 ~~[(8)]~~ (5) A single event permittee may not engage in or allow any form of gambling, or
3007 have any video gaming device as defined and proscribed by Title 76, Chapter 10, Part 11,
3008 Gambling, on the premises serviced by the single event permittee.

3009 Section 27. Section **32A-8-102** is amended to read:

3010 **32A-8-102. Application and renewal requirements.**

3011 (1) Each person seeking an alcoholic beverage manufacturing license of any kind under
3012 this chapter shall file a written application with the department, in a form prescribed by the
3013 department. The application shall be accompanied by:

3014 (a) a nonrefundable application fee of \$250;

3015 (b) an initial license fee of \$3,250 unless otherwise provided in this chapter, which is
3016 refundable if a license is not granted;

3017 (c) a statement of the purpose for which the applicant has applied for the alcoholic
3018 beverage manufacturing license;

3019 (d) written consent of the local authority;

3020 (e) a bond as specified by Section 32A-8-105;

3021 (f) evidence that the applicant is carrying public liability insurance in an amount and
3022 form satisfactory to the department;

3023 (g) evidence that the applicant is authorized by the United States to manufacture
3024 alcoholic beverages;

3025 (h) a signed consent form stating that the licensee will permit any authorized

3026 representative of the commission, department, or any law enforcement officer to have
3027 unrestricted right to enter the premises;

3028 (i) in the case of an applicant that is a partnership, corporation, or limited liability
3029 company, proper verification evidencing that the person or persons signing the application are
3030 authorized to so act on behalf of the partnership, corporation, or limited liability company; and

3031 (j) any other documents and evidence the department may require by rule or policy to
3032 allow complete evaluation of the application.

3033 (2) (a) All alcoholic beverage manufacturing licenses expire on December 31 of each
3034 year.

3035 (b) Persons desiring to renew their license shall submit by no later than November 30
3036 of the year the license expires:

3037 (i) a completed renewal application to the department; and

3038 (ii) a renewal fee in the following amount:

3039 (A) \$2,500, except for an alcoholic beverage manufacturing license described in
3040 Subsection (2)(b)(ii)(B); or

3041 (B) \$1,200 for a winery license if the winery licensee produced less than 20,000
3042 gallons of wine in the calendar year preceding the year in which the licensee seeks renewal.

3043 (c) Failure to meet the renewal requirements results in an automatic forfeiture of the
3044 license effective on the date the existing license expires. Renewal applications shall be in a
3045 form prescribed by the department.

3046 (3) To ensure compliance with Subsection 32A-8-106[~~(4)(f)~~] (6), the commission may
3047 suspend or revoke an alcoholic beverage manufacturing license if the manufacturing licensee
3048 does not immediately notify the department of any change in:

3049 (a) ownership of the licensee;

3050 (b) for a corporate owner, the:

3051 (i) corporate officers or directors; or

3052 (ii) shareholders holding at least 20% of the total issued and outstanding stock of the
3053 corporation; or

- 3054 (c) for a limited liability company:
- 3055 (i) managers; or
- 3056 (ii) members owning at least 20% of the limited liability company.

3057 Section 28. Section **32A-8-106** is amended to read:

3058 **32A-8-106. Operational restrictions.**

3059 ~~[(1)]~~ Each person granted an alcoholic beverage manufacturing license and the
3060 employees and management of the licensee shall abide by the following conditions and
3061 requirements, and any special conditions and restrictions otherwise provided in this chapter.
3062 Failure to comply may result in a suspension or revocation of the license or other disciplinary
3063 action taken against individual employees or management personnel~~[:]~~.

3064 ~~[(a)]~~ (1) A licensee may not sell any liquor within the state except to the department
3065 and to military installations.

3066 ~~[(b)]~~ (2) Each license issued under this chapter shall be conspicuously displayed on the
3067 licensed premises.

3068 ~~[(c)]~~ (3) A licensee may not advertise its product in violation of this title or any other
3069 federal or state law, except that nothing in this title prohibits the advertising or solicitation of
3070 orders for industrial alcohol from holders of special permits.

3071 ~~[(d)]~~ (4) (a) Each alcoholic beverage manufacturing licensee shall maintain accounting
3072 and other records and documents as the department may require. ~~[Any]~~

3073 (b) A manufacturing licensee or person acting for the manufacturing licensee, who
3074 knowingly forges, falsifies, alters, cancels, destroys, conceals, or removes the entries in any of
3075 the books of account or other documents of the licensee required to be made, maintained, or
3076 preserved by this title or the rules of the commission for the purpose of deceiving the
3077 commission, or the department, or any of their officials or employees, is subject to:

3078 (i) the immediate suspension or revocation of the manufacturing license; and

3079 (ii) criminal prosecution under Chapter 12, Criminal Offenses.

3080 ~~[(e)]~~ (5) An alcoholic beverage manufacturing license may not be transferred from one
3081 location to another, without prior written approval of the commission.

3082 ~~[(f)(i)]~~ (6)(a) A manufacturing licensee may not sell, transfer, assign, exchange,
3083 barter, give, or attempt in any way to dispose of the license to any other person or entity,
3084 whether for monetary gain or not.

3085 ~~[(ii)]~~ (b) A manufacturing license has no monetary value for the purpose of any type of
3086 disposition.

3087 ~~[(g)]~~ (7) Each licensee shall from time to time, on request of the department, furnish
3088 for analytical purposes samples of the alcoholic products that it has for sale or that it has in the
3089 course of manufacture for sale in this state.

3090 ~~[(2) Nothing in this chapter prevents any manufacturer of, or dealer in, patent or~~
3091 ~~proprietary medicines containing alcohol from selling the medicines in the original and~~
3092 ~~unbroken package if the medicine contains sufficient medication to prevent its use as an~~
3093 ~~alcoholic beverage. Each manufacturer or dealer who keeps patent or proprietary medicines for~~
3094 ~~sale shall, upon request by the department, provide a sufficient sample of the medicine to~~
3095 ~~enable the department to have the medicine analyzed.]~~

3096 ~~[(3)(a) Nothing in this chapter prevents any person from manufacturing vinegar or~~
3097 ~~preserved nonintoxicating cider for use or sale, or the manufacture or sale for lawful purposes~~
3098 ~~of any food preparation, or any United States Pharmacopocia or national formulary preparation~~
3099 ~~in conformity with the Utah pharmacy laws, if the preparation conforms to standards~~
3100 ~~established by the state departments of agriculture and health, and contains no more alcohol~~
3101 ~~than is absolutely necessary to preserve or extract the medicinal, flavoring, or perfumed~~
3102 ~~properties of the treated substances.]~~

3103 ~~[(b) Nothing in this chapter prevents the manufacture or sale of wood or denatured~~
3104 ~~alcohol under rules established by the department and in compliance with the formulas and~~
3105 ~~rules established by the United States.]~~

3106 Section 29. Section **32A-8-505** is amended to read:

3107 **32A-8-505. Operational restrictions.**

3108 (1) (a) A local industry representative licensee, employee or agent of the licensee, or
3109 employee or agent of a manufacturer, supplier, or importer who is conducting business in the

3110 state, shall abide by the conditions and requirements set forth in this section.

3111 (b) If any person listed in Subsection (1)(a) knowingly violates or fails to comply with
3112 the conditions and requirements set forth in this section:

3113 (i) such violation or failure to comply may result in:

3114 (A) a suspension or revocation of the license; or

3115 (B) other disciplinary action taken against individual employees or agents of the
3116 licensee; and

3117 (ii) the commission may order the removal of the manufacturer's, supplier's, or
3118 importer's products from the department's sales list and a suspension of the department's
3119 purchase of those products for a period determined by the commission if the manufacturer,
3120 supplier, or importer:

3121 (A) directly committed the violation; or

3122 (B) solicited, requested, commanded, encouraged, or intentionally aided another to
3123 engage in the violation.

3124 (2) A local industry representative licensee, employee or agent of the licensee, or
3125 employee or agent of a manufacturer, supplier, or importer who is conducting business in the
3126 state:

3127 (a) only to the extent authorized by Chapter 12, Criminal Offenses, may:

3128 (i) assist the department in:

3129 (A) ordering, shipping, and delivering merchandise;

3130 (B) providing new product notification;

3131 (C) obtaining listing and delisting information;

3132 (D) receiving price quotations;

3133 (E) providing product sales analysis;

3134 (F) conducting shelf management; and

3135 (G) conducting educational seminars; and

3136 (ii) for the purpose of acquiring new listings:

3137 (A) solicit orders from the department; and

- 3138 (B) submit to the department price lists and samples of the products of the
3139 manufacturer, supplier, or importer;
- 3140 (b) may not sell any liquor, wine, or heavy beer within the state except to the
3141 department and military installations;
- 3142 (c) may not ship or transport, or cause to be shipped or transported, into this state or
3143 from one place to another within this state any liquor, wine, or heavy beer;
- 3144 (d) may not sell or furnish any liquor, wine, or heavy beer to any person within this
3145 state other than to the department and military installations;
- 3146 (e) except as otherwise provided, may not advertise products it represents in violation
3147 of this title or any other federal or state law;
- 3148 (f) shall comply with all trade practices provided in Chapter 12, Criminal Offenses; and
3149 (g) may only provide samples of products of the manufacturer, supplier, or importer for
3150 tasting and sampling purposes as provided in Section 32A-12-603 by the department.
- 3151 (3) (a) A local industry representative licensee shall maintain on file with the
3152 department a current accounts list of the names and addresses of all manufacturers, suppliers,
3153 and importers the licensee represents.
- 3154 (b) The licensee shall notify the department in writing of any changes to the accounts
3155 listed within 14 days from the date the licensee either acquired or lost the account of a
3156 particular manufacturer, supplier, or importer.
- 3157 (4) A local industry representative licensee shall maintain accounting and other records
3158 and documents as the department may require for at least three years.
- 3159 (5) Any local industry representative licensee or person acting for the licensee, who
3160 knowingly forges, falsifies, alters, cancels, destroys, conceals, or removes the entries in any of
3161 the books of account or other documents of the licensee required to be made, maintained, or
3162 preserved by this title or the rules of the commission for the purpose of deceiving the
3163 commission or the department, or any of their officials or employees, is subject to:
- 3164 (a) the immediate suspension or revocation of the industry representative's license; and
3165 (b) possible criminal prosecution under Chapter 12, Criminal Offenses.

3166 (6) A local industry representative licensee may, for the purpose of becoming educated
3167 as to the quality and characteristics of a liquor, wine, or heavy beer product which the licensee
3168 represents, taste and analyze industry representative samples under the conditions listed in this
3169 Subsection (6).

3170 (a) The licensee may not receive more than two industry representative samples of a
3171 particular type, vintage, and production lot of a particular branded product within a consecutive
3172 120-day period.

3173 (b) (i) Each sample of liquor may not exceed 1 liter.

3174 (ii) Each sample of wine or heavy beer may not exceed 1.5 liters unless that exact
3175 product is only commercially packaged in a larger size, not to exceed 5 liters.

3176 (c) Each industry representative sample may only be of a product not presently listed
3177 on the department's sales list.

3178 (d) (i) Industry representative samples shall be shipped:

3179 (A) prepaid by the manufacturer, supplier, or importer;

3180 (B) by common carrier and not via United States mail; and

3181 (C) directly to the department's central administrative warehouse office.

3182 (ii) These samples may not be shipped to any other location within the state.

3183 (e) Industry representative samples shall be accompanied by a letter from the
3184 manufacturer, supplier, or importer:

3185 (i) clearly identifying the product as an "industry representative sample"; and

3186 (ii) clearly stating:

3187 (A) the FOB case price of the product; and

3188 (B) the name of the local industry representative for who it is intended.

3189 (f) The department shall assess a reasonable handling, labeling, and storage fee for
3190 each industry representative sample received.

3191 (g) The department shall affix to each bottle or container a label clearly identifying the
3192 product as an "industry representative sample".

3193 (h) The department shall:

- 3194 (i) account for and record each industry representative sample received;
- 3195 (ii) account for the sample's disposition; and
- 3196 (iii) maintain a record of the sample and its disposition for a two-year period.
- 3197 (i) Industry representative samples may not leave the premises of the department's
- 3198 central administrative warehouse office.
- 3199 (j) Licensed industry representatives and their employees and agents may, at regularly
- 3200 scheduled days and times established by the department, taste and analyze industry
- 3201 representative samples on the premises of the department's central administrative warehouse
- 3202 office.
- 3203 (k) Any unused contents of an opened product remaining after the product has been
- 3204 sampled shall be destroyed by the department under controlled and audited conditions
- 3205 established by the department.
- 3206 (l) Industry representative samples that are not tasted within 30 days of receipt by the
- 3207 department shall be disposed of at the discretion of the department in one of the following
- 3208 ways:
- 3209 (i) contents destroyed under controlled and audited conditions established by the
- 3210 department; or
- 3211 (ii) added to the inventory of the department for sale to the public.
- 3212 (7) An employee or agent of a local industry representative licensee may not be:
- 3213 (a) the holder of any retail license issued under this title that sells spirituous liquor,
- 3214 wine, or heavy beer; [~~or~~]
- 3215 (b) an employee or agent of any retail licensee issued under this title that sells
- 3216 spirituous liquor, wine, or heavy beer[-]; or
- 3217 (c) a minor.
- 3218 (8) (a) A local representative licensee may not sell, transfer, assign, exchange, barter,
- 3219 give, or attempt in any way to dispose of the license to any other person, whether for monetary
- 3220 gain or not.
- 3221 (b) A local industry representative license has no monetary value for the purpose of any

3222 type of disposition.

3223 Section 30. Section **32A-10-101** is amended to read:

3224 **32A-10-101. State and local licensing -- Limitations.**

3225 (1) Any local authority may:

3226 (a) tax or prohibit any retail sale of beer;

3227 (b) issue, suspend, and revoke licenses to sell beer at retail for on-premise

3228 consumption;

3229 (c) issue, suspend, and revoke temporary permits or licenses to sell beer for on-premise

3230 consumption at temporary special events that do not last longer than 30 days;

3231 (d) issue, suspend, and revoke licenses to [~~general food stores and other~~

3232 ~~establishments~~] businesses to sell beer at retail for off-premise consumption;

3233 (e) establish proximity restrictions for establishing premises where beer is sold at retail

3234 for off-premise consumption in relation to any public or private school, church, public library,

3235 public playground, or park; and

3236 (f) otherwise regulate the retail sale of beer for off-premise consumption subject to the

3237 requirements of Sections 32A-10-102 and 32A-10-103.

3238 (2) The commission shall issue licenses to sell beer at retail for on-premise

3239 consumption as provided in Part 2, On-Premise Beer Retailer Licenses.

3240 (3) Each licensee issued a license for on-premise consumption, by the commission

3241 under Subsection (2) or by the local authority under Subsection (1), is subject to the operational

3242 restrictions provided in Section 32A-10-206, except as otherwise provided.

3243 (4) Suspension or revocation of an on-premise beer retailer license issued by the

3244 commission under Subsection (2) or an on-premise beer retailer license issued by a local

3245 authority under Subsection (1) prohibits the establishment whose license is suspended or

3246 revoked from continuing to operate under the other state or local license it may have.

3247 (5) The commission shall issue temporary permits to sell beer at retail for on-premise

3248 consumption at temporary special events that do not last longer than 30 days as provided in

3249 Part 3, Temporary Special Event Beer Permits.

3250 (6) Each permittee issued a temporary permit by the commission under Subsection (5)
3251 or by the local authority under Subsection (1), is subject to the operational restrictions provided
3252 in Section 32A-10-306, except as otherwise provided.

3253 (7) Suspension or revocation of a temporary permit issued by the commission under
3254 Subsection (5) or by a local authority under Subsection (1) prohibits the permittee whose
3255 permit is suspended or revoked from continuing to operate under the other state or local permit
3256 the permittee may have.

3257 Section 31. Section **32A-10-102** is amended to read:

3258 **32A-10-102. General restrictions.**

3259 (1) (a) (i) A beer retailer licensed under this part or Part 2, On-Premise Beer Retailer
3260 Licenses, may not purchase, acquire, possess for the purpose of resale, or sell any beer except
3261 that which has been lawfully purchased from a wholesaler licensed under this title or from a
3262 small brewer that manufactured the beer.

3263 (ii) Violation of Subsection (1)(a) is a class A misdemeanor.

3264 (b) (i) All purchases made of beer by any beer retailer from a licensed wholesaler shall
3265 be from that wholesaler who is authorized by the commission to sell beer in the geographical
3266 area in which the beer retailer is located, unless an alternate wholesaler is authorized by the
3267 department to sell to the beer retailer as provided in Section 32A-11-106.

3268 (ii) Violation of Subsection (1)(b) is a class B misdemeanor.

3269 (2) (a) Beer may not be sold, provided, or possessed for off-premise consumption in
3270 containers larger than two liters.

3271 (b) For a special event that does not last longer than 30 days:

3272 (i) an on-premise beer retailer license issued by the commission as provided in this part
3273 is not required for the sale of beer at the special event; and

3274 (ii) a temporary beer permit must be obtained from the commission as provided in Part
3275 3, Temporary Special Event Beer Permits.

3276 (3) (a) A minor may not be granted a beer retailer license.

3277 (b) The commission may not grant a beer retailer license to an applicant that is a

3278 partnership, corporation, or limited liability company if any of the following is a minor:

3279 (i) a partner or managing agent of the applicant partnership;

3280 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the
3281 total issued and outstanding stock of the applicant corporation; or

3282 (iii) a manager or member who owns at least 20% of the applicant limited liability
3283 company.

3284 (4) A minor may not sell beer on the premises of a beer retailer for off-premise
3285 consumption [~~except~~] unless:

3286 (a) the sale is done under the supervision of a person 21 years of age or older who is on
3287 the premises; and

3288 (b) the minor is at least 16 years of age.

3289 (5) (a) If malt beverage coolers or malt liquor is sold by a beer retailer for off-premise
3290 consumption, the beer retailer shall display a sign at the location on the premises where malt
3291 beverages or malt liquor is sold stating: "Many malt beverages contain alcohol. Please read the
3292 label."

3293 (b) A violation of this Subsection (5) is an infraction.

3294 Section 32. Section **32A-10-103** is amended to read:

3295 **32A-10-103. Alcohol training and education for off-premise consumption --**
3296 **Requirements on off-premise beer retailer licensees -- Penalties related to sales to minors**
3297 **-- Hearings -- Tracking.**

3298 (1) (a) A local authority that issues an off-premise beer retailer license to a [~~general~~
3299 ~~food store or similar~~] business to sell beer at retail for off-premise consumption shall require
3300 the following to have a valid certificate that the individual completed an alcohol training and
3301 education seminar required by Section 62A-15-401 in the time frames required by Subsection
3302 (1)(b), any individual who:

3303 (i) directly supervises the sale of beer to a customer for consumption off the premises
3304 of the off-premise beer retailer licensee; or

3305 (ii) sells beer to a customer for consumption off the premises of the off-premise beer

3306 retailer licensee.

3307 (b) (i) An individual shall complete an alcohol training and education seminar required
3308 by Section 62A-15-401 within 30 days of the day on which the individual is employed by an
3309 off-premise beer retailer licensee if the individual:

3310 (A) is employed on or after September 1, 2006; and

3311 (B) on the date of employment, does not have a valid certificate that the individual has
3312 completed an alcohol training and education seminar for purposes of this section.

3313 (ii) An individual shall complete an alcohol training and education seminar by not later
3314 than October 1, 2006 if the individual:

3315 (A) is employed before September 1, 2006; and

3316 (B) on September 1, 2006, does not have a valid certificate that the individual has
3317 completed an alcohol training and education seminar for purposes of this section.

3318 (iii) The validity of a certificate that an individual has completed an alcohol training
3319 and education seminar required by this section is governed by Section 62A-15-401.

3320 (2) In accordance with Section 32A-1-401, a local authority may immediately suspend
3321 the license of an off-premise beer retailer that allows an employee to directly supervise the sale
3322 of beer or to sell beer to a customer without having a valid certificate that the individual
3323 completed an alcohol training and education seminar in accordance with Subsection (1).

3324 (3) (a) Each employee of a licensed off-premise beer retailer who directly supervises
3325 the sale of beer or who sells beer to a customer for consumption off the premises of the
3326 off-premise beer retailer shall wear a unique identification badge:

3327 (i) on the front of the employee's clothing;

3328 (ii) visible above the waist;

3329 (iii) bearing the employee's:

3330 (A) first or last name;

3331 (B) initials; or

3332 (C) unique identification in letters or numbers; and

3333 (iv) with the number or letters on the unique identification badge being sufficiently

3334 large to be clearly visible and identifiable while engaging in or directly supervising the retail
3335 sale of beer.

3336 (b) (i) An off-premise beer retailer licensee shall maintain a record of all current
3337 employee unique identification badges assigned by the off-premise beer retailer licensee.

3338 (ii) The record required to be maintained under Subsection (3)(b)(i) shall:

3339 (A) be available for immediate inspection by:

3340 (I) any peace officer; or

3341 (II) a representative of the local licensing authority; and

3342 (B) include the employee's:

3343 (I) full name;

3344 (II) address; and

3345 (III) (Aa) driver license number; or

3346 (Bb) similar identification number.

3347 (c) A local authority may impose a fine of up to \$250 against any off-premise beer
3348 retailer that does not comply or require its employees to comply with this Subsection (3).

3349 (4) (a) In addition to any criminal penalties that may be imposed, an individual is
3350 subject to the administrative penalties imposed by a local authority described in Subsection
3351 (4)(b) if:

3352 (i) that individual:

3353 (A) completes an alcohol training and education seminar required by Subsection (1);

3354 and

3355 (B) after completing the alcohol training and education seminar required by Subsection
3356 (1), is found in violation of any law involving the sale of an alcoholic beverage to a minor;

3357 (ii) the violation described in Subsection (4)(a)(i)(B) is based on conduct that occurs
3358 while the individual is on duty as an employee of an off-premise beer retailer licensee; and

3359 (iii) the local authority brings an adjudicative proceeding against the individual.

3360 (b) If the conditions of Subsection (4)(a) are met, a local authority shall impose the
3361 following administrative penalties:

3362 (i) upon a first violation, the individual may not sell or directly supervise the sale of
3363 beer to a customer for consumption off the premises of the off-premise beer retailer licensee
3364 until the individual retakes and completes an alcohol training and education seminar described
3365 in Section 62A-15-401;

3366 (ii) upon a second violation, the individual may not sell or directly supervise the sale of
3367 beer to a customer for consumption off the premises of the off-premise beer retailer licensee
3368 until the later of:

3369 (A) 90 days from the day on which the administrative penalty is imposed; and

3370 (B) the day on which the individual:

3371 (I) retakes and completes the alcohol training and education seminar described in
3372 Section 62A-15-401; and

3373 (II) completes any additional training that the local authority may require; and

3374 (iii) upon a third or subsequent violation, the individual may not sell or directly
3375 supervise the sale of beer to a customer for consumption off the premises of the off-premise
3376 beer retailer licensee until the later of:

3377 (A) one year from the day on which the administrative penalty is imposed; and

3378 (B) the day on which the individual:

3379 (I) retakes and completes an alcohol training and education seminar described in
3380 Section 62A-15-401; and

3381 (II) completes any additional training that the local authority may require.

3382 (c) (i) During the period of time an individual is prohibited from selling or directly
3383 supervising the sale of beer under Subsection (4)(b), an off-premise beer retailer licensee may
3384 not allow that individual to:

3385 (A) directly supervise the sale of beer for the off-premise beer retailer licensee; or

3386 (B) sell beer for the off-premise beer retailer licensee.

3387 (ii) A violation of this Subsection (4)(c) is grounds for the immediate suspension of the
3388 off-premise beer retailer's license.

3389 (5) (a) In addition to any criminal penalties that may be imposed, an off-premise beer

3390 retailer licensee is subject to the administrative penalties imposed by a local authority described
3391 in Subsection (5)(b) if:

3392 (i) an employee of the off-premise beer retailer licensee is found in violation of any law
3393 involving the sale of alcoholic beverage to a minor;

3394 (ii) the violation described in Subsection (5)(a)(i) occurs while the employee is on duty
3395 for the off-premise beer retailer licensee; and

3396 (iii) the local authority brings an adjudicative proceeding against the off-premise beer
3397 retailer licensee.

3398 (b) If the conditions of Subsection (5)(a) are met, a local authority shall impose the
3399 following administrative penalties:

3400 (i) upon a first violation, the off-premise beer retailer licensee shall be issued a written
3401 warning;

3402 (ii) upon a second violation, the off-premise beer retailer licensee shall pay a civil fine
3403 of \$250;

3404 (iii) upon a third violation, the off-premise beer retailer licensee shall pay a civil fine of
3405 \$500;

3406 (iv) upon a fourth or subsequent violation, the off-premise beer retailer licensee shall:

3407 (A) pay a civil fine of \$500;

3408 (B) have its license to sell beer suspended for a period of 30 consecutive days from the
3409 date on which the administrative penalty is imposed; and

3410 (C) be placed on probation for a period of one year from the date on which the
3411 administrative penalty is imposed; and

3412 (v) upon any violation by the off-premise beer retailer licensee or any on-duty
3413 employee of the off-premise beer retailer licensee during the period of probation specified in
3414 Subsection (5)(b)(iv)(C):

3415 (A) the off-premise beer retailer licensee's license to sell beer shall be revoked; and

3416 (B) the off-premise beer retailer licensee is not eligible to reapply for a new license for
3417 at least six months from the date of revocation.

3418 (c) (i) An off-premise beer retailer licensee's failure to pay a fine imposed under this
3419 Subsection (5) within 30 days of the day on which the fine is imposed is grounds for the
3420 immediate suspension of the off-premise beer retailer licensee's license to sell beer until
3421 payment is made.

3422 (ii) An off-premise beer retailer licensee's failure to pay the fine described in
3423 Subsection (5)(c)(i) within 30 days of the day on which the license is suspended under
3424 Subsection (5)(c)(i) is grounds for revocation of the licensee's license to sell beer.

3425 (6) (a) Any local authority that adjudicates an administrative penalty for a violation of
3426 any law involving the sale of an alcoholic beverage to any minor pursuant to Subsection (4) or
3427 (5), shall:

3428 (i) maintain a record of the adjudicated violation until the record is expunged under
3429 Subsection (6)(c);

3430 (ii) include in the record described in Subsection (6)(a)(i):

3431 (A) the name of the individual who committed the violation;

3432 (B) the name of the off-premise beer retailer licensee for whom the individual was
3433 employed at the time of the violation; and

3434 (C) the date of the adjudication of the violation; and

3435 (iii) provide the Highway Safety Office of the Department of Public Safety within 30
3436 days of the date on which a violation is adjudicated the information described in Subsection
3437 (6)(a)(ii).

3438 (b) (i) The Highway Safety Office shall develop and operate a system to collect,
3439 analyze, maintain, track, and disseminate the violation history information received under
3440 Subsection (6)(a).

3441 (ii) The system described in Subsection (6)(b)(i) shall be made available to:

3442 (A) assist a local authority in assessing administrative penalties under Subsection (4);

3443 and

3444 (B) inform an off-premise beer retailer licensee of an individual who has an
3445 administrative violation history under Subsection (4).

3446 (iii) The Highway Safety Office shall maintain a record of violation history information
3447 received pursuant to Subsection (6)(a) until the record is expunged under Subsection (6)(c).

3448 (c) (i) A local authority and the Highway Safety Office shall expunge from the records
3449 maintained under this Subsection (6) an administrative penalty imposed under Subsection (4)
3450 for purposes of determining future administrative penalties under Subsection (4) if the
3451 individual has not been found in violation of any law involving the sale of an alcoholic
3452 beverage to a minor for a period of 36 consecutive months from the day on which the
3453 individual is last adjudicated as violating a law involving the sale of an alcoholic beverage to a
3454 minor.

3455 (ii) A local authority shall expunge from the records maintained by the local authority
3456 an administrative penalty imposed under Subsection (5) against an off-premise beer retailer
3457 licensee for purposes of determining future administrative penalties under Subsection (5) if the
3458 off-premise beer retailer licensee or any employee of that off-premise beer retailer licensee has
3459 not been found in violation of any law involving the sale of an alcoholic beverage to a minor
3460 for a period of 36 consecutive months from the day on which the off-premise beer retailer
3461 licensee or its employee is last adjudicated as violating a law involving the sale of an alcoholic
3462 beverage to a minor.

3463 (7) (a) A local authority shall conduct a hearing if an off-premise beer retailer licensee
3464 or individual identified in Subsection (1) requests a hearing before the local authority.

3465 (b) A local authority conducting a hearing under this Subsection (7) shall provide the
3466 person requesting the hearing:

- 3467 (i) notice of the hearing; and
- 3468 (ii) an opportunity to be heard at the hearing.

3469 (8) The Highway Safety Office of the Department of Public Safety shall administer a
3470 program to:

- 3471 (a) reimburse a municipal or county law enforcement agency:
 - 3472 (i) for the actual costs of an alcohol-related compliance check investigation conducted
 - 3473 pursuant to Section 77-39-101 on the premises of an off-premise beer retailer;

3474 (ii) for any administrative costs associated with reporting the compliance check
3475 investigation described in Subsection (8)(a)(i);

3476 (iii) if the municipal or county law enforcement agency completes and submits to the
3477 Highway Safety Office a report within 90 days of the compliance check investigation described
3478 in Subsection (8)(a)(i) in a format required by the Highway Safety Office; and

3479 (iv) in the order that the municipal or county law enforcement agency submits the
3480 report required by Subsection (8)(a)(iii) until the amount allocated by the Highway Safety
3481 Office to reimburse a municipal or county law enforcement agency is spent;

3482 (b) develop and operate a system to collect, analyze, maintain, track, and disseminate
3483 violation history information pursuant to Subsection (6); and

3484 (c) have the Highway Safety Office report to the Utah Substance Abuse and
3485 Anti-Violence Coordinating Council by no later than October 1 following a fiscal year on the
3486 following funded during the prior fiscal year:

3487 (i) all compliance check investigations reimbursed under Subsection (8)(a); and

3488 (ii) the collection, analysis, maintenance, tracking, and dissemination of violation
3489 history information provided in Subsection (8)(b).

3490 Section 33. Section **32A-10-202** is amended to read:

3491 **32A-10-202. Application and renewal requirements.**

3492 (1) A person seeking an on-premise beer retailer license under this chapter shall file a
3493 written application with the department, in a form prescribed by the department. The
3494 application shall be accompanied by:

3495 (a) a nonrefundable \$250 application fee;

3496 (b) an initial license fee that is refundable if a license is not granted in the following
3497 amount:

3498 (i) if the on-premise beer retailer licensee does not operate as a tavern, the initial
3499 license fee is \$150; or

3500 (ii) if the on-premise beer retailer licensee operates as a tavern, the initial license fee is
3501 \$1,250;

3502 (c) written consent of the local authority or a license to sell beer at retail for on-premise
3503 consumption granted by the local authority under Section 32A-10-101;

3504 (d) a copy of the applicant's current business license;

3505 (e) evidence of proximity to any public or private school, church, public library, public
3506 playground, or park, and if the proximity is within the 600 foot or 200 foot limitation of
3507 Subsections 32A-10-201(3) and (4), the application shall be processed in accordance with
3508 those subsections;

3509 (f) a bond as specified by Section 32A-10-205;

3510 (g) a floor plan of the premises, including consumption areas and the area where the
3511 applicant proposes to keep, store, and sell beer;

3512 (h) evidence that the on-premise beer retailer licensee is carrying public liability
3513 insurance in an amount and form satisfactory to the department;

3514 (i) for those licensees that sell more than \$5,000 of beer annually, evidence that the
3515 on-premise beer retailer licensee is carrying dramshop insurance coverage of at least \$500,000
3516 per occurrence and \$1,000,000 in the aggregate;

3517 (j) a signed consent form stating that the on-premise beer retailer licensee will permit
3518 any authorized representative of the commission, department, or any peace officer unrestricted
3519 right to enter the licensee premises;

3520 (k) in the case of an applicant that is a partnership, corporation, or limited liability
3521 company, proper verification evidencing that the person or persons signing the on-premise beer
3522 retailer licensee application are authorized to so act on the behalf of the partnership,
3523 corporation, or limited liability company; and

3524 (l) any other information the department may require.

3525 (2) (a) All on-premise beer retailer licenses expire on the last day of February of each
3526 year.

3527 (b) (i) Except as provided in Subsection (2)(b)(ii), a person desiring to renew the
3528 person's on-premise beer retailer license shall submit by no later than January 31:

3529 (A) a completed renewal application to the department; and

- 3530 (B) a renewal fee in the following amount:
- 3531 (I) if the on-premise beer retailer licensee does not operate as a tavern, the renewal fee
- 3532 is \$200; or
- 3533 (II) if the on-premise beer retailer licensee operates as a tavern, the renewal fee is
- 3534 \$1,000.
- 3535 (ii) A licensee is not required to submit a renewal fee if the licensee is:
- 3536 (A) a state agency; or
- 3537 (B) a political subdivision of the state including:
- 3538 (I) a county; or
- 3539 (II) a municipality.
- 3540 (c) Failure to meet the renewal requirements shall result in an automatic forfeiture of
- 3541 the license, effective on the date the existing license expires.
- 3542 (d) Renewal applications shall be in a form as prescribed by the department.
- 3543 (3) To ensure compliance with Subsection 32A-10-206[~~(18)~~] (17), the commission
- 3544 may suspend or revoke a beer retailer license if any beer retailer licensee does not immediately
- 3545 notify the department of any change in:
- 3546 (a) ownership of the beer retailer;
- 3547 (b) for a corporate owner, the:
- 3548 (i) corporate officers or directors; and
- 3549 (ii) shareholders holding at least 20% of the total issued and outstanding stock of the
- 3550 corporation; or
- 3551 (c) for a limited liability company:
- 3552 (i) managers; or
- 3553 (ii) members owning at least 20% of the limited liability company.
- 3554 (4) An applicant need not meet the requirements of Subsections (1)(a), (b), (c), (d), and
- 3555 (f) if the applicant is:
- 3556 (a) a state agency; or
- 3557 (b) a political subdivision of the state including:

- 3558 (i) a county; or
- 3559 (ii) a municipality.

3560 (5) (a) Except as provided in Subsection (5)(c), only one state on-premise beer retailer
3561 license is required for each building or resort facility owned or leased by the same applicant.

3562 (b) Except as provided in Subsection (5)(c), separate licenses are not required for each
3563 retail beer dispensing outlet located in the same building or on the same resort premises owned
3564 or operated by the same applicant.

3565 (c) (i) Subsections (5)(a) and (5)(b) apply only if all of the retail beer dispensing outlets
3566 in the building or resort facility operate in the same manner.

3567 (ii) If the condition described in Subsection (5)(c)(i) is not met:

3568 (A) one state on-premise beer retailer tavern license is required for all outlets in the
3569 same building or on the same resort premises that operate as a tavern; and

3570 (B) one state on-premise beer retailer license is required for all outlets in the same
3571 building or on the same resort premises that do not operate as a tavern.

3572 Section 34. Section **32A-10-206** is amended to read:

3573 **32A-10-206. Operational restrictions.**

3574 Each person granted an on-premise beer retailer license and the employees and
3575 management personnel of the on-premise beer retailer licensee shall comply with the following
3576 conditions and requirements. Failure to comply may result in a suspension or revocation of the
3577 license or other disciplinary action taken against individual employees or management
3578 personnel.

3579 (1) (a) Subject to Subsection (1)(b), a beer retailer licensee may sell beer for
3580 on-premise consumption:

- 3581 (i) in an open container; and
- 3582 (ii) on draft.

3583 (b) Beer sold pursuant to Subsection (1)(a) shall be in a size of container that does not
3584 exceed two liters, except that beer may not be sold to an individual patron in a size of container
3585 that exceeds one liter.

3586 (2) Liquor may not be stored or sold on the premises of any on-premise beer retailer
3587 licensee.

3588 (3) A patron of the on-premise beer retailer may only make purchases from and be
3589 served by a person employed, designated, and trained by the licensee to sell and serve beer.

3590 (4) (a) Beer may not be sold, offered for sale, served, or otherwise furnished at any
3591 on-premise beer retailer establishment after 1 a.m. and before 10 a.m.

3592 (b) Beer may not be sold, served, or otherwise furnished to any:

3593 (i) minor;

3594 (ii) person actually, apparently, or obviously intoxicated;

3595 (iii) known habitual drunkard; or

3596 (iv) known interdicted person.

3597 (c) (i) Notwithstanding Subsection (4)(a), a tavern licensed under this chapter shall
3598 remain open for one hour after the tavern ceases the sale and service of alcoholic beverages
3599 during which time a patron of the tavern may finish consuming a single serving of beer not
3600 exceeding 26 ounces.

3601 (ii) A tavern is not required to remain open:

3602 (A) after all patrons have vacated the premises; or

3603 (B) during an emergency.

3604 (d) Between the hours of 2 a.m. and 10 a.m. on any day a tavern may not allow a patron
3605 to remain on the premises to consume alcoholic beverages on the premises.

3606 (5) (a) Beer may not be sold at less than the cost of the beer to the licensee.

3607 (b) Beer may not be sold at a special or reduced price that encourages over
3608 consumption or intoxication.

3609 (c) Beer may not be sold at a special or reduced price for only certain hours of the beer
3610 retailer's business day such as a "happy hour."

3611 (d) The sale or service of more than one alcoholic beverage for the price of a single
3612 alcoholic beverage is prohibited.

3613 (e) The sale or service of an indefinite or unlimited number of alcoholic beverages

3614 during any set period for a fixed price is prohibited.

3615 (f) An on-premise beer licensee may not engage in a public promotion involving or
3616 offering free alcoholic beverages to the general public.

3617 (6) Beer may not be purchased for a patron of the on-premise beer establishment by:

3618 (a) the licensee; or

3619 (b) an employee or agent of the licensee.

3620 [~~(6)~~] (7) Beer sold in sealed containers by the on-premise beer retailer licensee may be
3621 removed from the on-premise beer retailer premises.

3622 [~~(7)~~] (8) (a) A person may not bring onto the premises of an on-premise beer retailer
3623 licensee any alcoholic beverage for on-premise consumption.

3624 (b) An on-premise beer retailer licensee or its officers, managers, employees, or agents
3625 may not:

3626 (i) allow a person to bring onto the on-premise beer retailer licensee premises any
3627 alcoholic beverage for on-premise consumption; or

3628 (ii) allow consumption of any such alcoholic beverage on its premises.

3629 [~~(8)~~] (9) An on-premise beer retailer licensee and its employees may not permit a
3630 patron to carry from the premises an open container that:

3631 (a) is used primarily for drinking purposes; and

3632 (b) contains any alcoholic beverage.

3633 [~~(9)~~] (10) (a) Except as provided in Subsection [~~(9)~~] (10)(b), a minor may not be:

3634 (i) employed by or be on the premises of an on-premise beer retailer licensee to sell,
3635 dispense, or otherwise furnish beer; or

3636 (ii) on the premises of any tavern.

3637 (b) Notwithstanding Subsection [~~(9)~~] (10)(a), a minor who is at least 16 years of age

3638 may be employed to enter the sale at a cash register or other sales recording device on the
3639 premises of an on-premise beer retailer that is not a tavern.

3640 [~~(10)~~] (11) An employee of a licensee, while on duty, may not:

3641 (a) consume an alcoholic beverage; or

3642 (b) be intoxicated.

3643 [(H)] (12) Each on-premise beer retailer licensee shall display in a prominent place in
3644 the on-premise beer retailer licensee:

3645 (a) the on-premise beer retailer license that is issued by the department; and

3646 (b) a sign in large letters stating: "Warning: Driving under the influence of alcohol or
3647 drugs is a serious crime that is prosecuted aggressively in Utah."

3648 [~~(12) The following acts or conduct in an on-premise beer retailer outlet licensed under
3649 this part are considered contrary to the public welfare and morals, and are prohibited upon the
3650 premises:]~~

3651 [~~(a) employing or using any person in the sale or service of alcoholic beverages while
3652 the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the
3653 female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the
3654 buttocks, vulva, or genitals;]~~

3655 [~~(b) employing or using the services of any person to mingle with the patrons while the
3656 person is unclothed or in attire, costume, or clothing as described in Subsection (12)(a);]~~

3657 [~~(c) encouraging or permitting any person to touch, caress, or fondle the breasts,
3658 buttocks, anus, or genitals of any other person;]~~

3659 [~~(d) permitting any employee or person to wear or use any device or covering, exposed
3660 to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;]~~

3661 [~~(e) permitting any person to use artificial devices or inanimate objects to depict any of
3662 the prohibited activities described in this section;]~~

3663 [~~(f) permitting any person to remain in or upon the premises who exposes to public
3664 view any portion of his or her genitals or anus; or]~~

3665 [~~(g) showing films, still pictures, electronic reproductions, or other visual
3666 reproductions depicting;]~~

3667 [~~(i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral
3668 copulation, flagellation, or any sexual acts that are prohibited by Utah law;]~~

3669 [~~(ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or~~

3670 ~~genitals;]~~

3671 ~~[(iii) scenes wherein artificial devices or inanimate objects are employed to depict, or~~
3672 ~~drawings are employed to portray, any of the prohibited activities described in this section; or]~~

3673 ~~[(iv) scenes wherein a person displays the vulva or the anus or the genitals.]~~

3674 ~~[(13) Nothing in Subsection (12) precludes a local authority from being more~~
3675 ~~restrictive of acts or conduct of the type prohibited in Subsection (12).]~~

3676 ~~[(14)(a) Although live entertainment is permitted on the premises of an on-premise~~
3677 ~~beer retailer licensee, a licensee may not permit any person to perform or simulate sexual acts~~
3678 ~~prohibited by Utah law, including sexual intercourse, masturbation, sodomy, bestiality, oral~~
3679 ~~copulation, flagellation, the touching, caressing, or fondling of the breast, buttocks, anus, or~~
3680 ~~genitals, or the displaying of the pubic hair, anus, vulva, or genitals. Entertainers shall perform~~
3681 ~~only upon a stage or at a designated area approved by the commission.]~~

3682 ~~[(b) Nothing in Subsection (14)(a) precludes a local authority from being more~~
3683 ~~restrictive of acts or conduct of the type prohibited in Subsection (14)(a).]~~

3684 ~~[(15)]~~ (13) An on-premise beer retailer licensee may not engage in or permit any form
3685 of gambling, or have any video gaming device, as defined and proscribed in Title 76, Chapter
3686 10, Part 11, Gambling, on the premises of the on-premise beer retailer licensee.

3687 ~~[(16)]~~ (14) (a) Each on-premise beer retailer licensee shall maintain accounting and
3688 other records and documents as the department may require.

3689 (b) Any on-premise beer retailer licensee or person acting for the on-premise beer
3690 retailer licensee, who knowingly forges, falsifies, alters, cancels, destroys, conceals, or removes
3691 the entries in any of the books of account or other documents of the on-premise beer retailer
3692 licensee required to be made, maintained, or preserved by this title or the rules of the
3693 commission for the purpose of deceiving the commission or the department, or any of their
3694 officials or employees, is subject to:

3695 (i) the immediate suspension or revocation of the on-premise beer retailer license; and
3696 (ii) possible criminal prosecution under Chapter 12, Criminal Offenses.

3697 (15) (a) A tavern licensed under this chapter may not close or cease operation for a

3698 period longer than 240 hours, unless:
3699 (i) the tavern licensee notifies the department in writing at least seven days before the
3700 closing; and
3701 (ii) the closure or cessation of operation is first approved by the department.
3702 (b) Notwithstanding Subsection (15)(a), in the case of emergency closure, immediate
3703 notice of closure shall be made to the department by telephone.
3704 (c) (i) The department may authorize a closure or cessation of operation for a period
3705 not to exceed 60 days.
3706 (ii) The department may extend the initial period an additional 30 days upon:
3707 (A) written request of the tavern licensee; and
3708 (B) a showing of good cause.
3709 (iii) A closure or cessation of operation may not exceed a total of 90 days without
3710 commission approval.
3711 (d) A notice of closure or cessation by a tavern licensee shall include:
3712 (i) the date of closure or cessation of operation;
3713 (ii) the reason for the closure or cessation of operation; and
3714 (iii) the dates on which the tavern licensee will reopen or resume operation.
3715 (e) Failure of the tavern licensee to provide notice and to obtain department
3716 authorization before closure or cessation of operation shall result effective immediately in an
3717 automatic forfeiture of:
3718 (i) the license; and
3719 (ii) the unused portion of the license fee for the remainder of the license year.
3720 (f) Failure of the tavern licensee to reopen or resume operation by the approved date
3721 shall result in an automatic forfeiture of:
3722 (i) the license; and
3723 (ii) the unused portion of the license fee for the remainder of the license year.
3724 ~~[(17)]~~ (16) An on-premise beer retailer license may not be transferred from one
3725 location to another, without prior written approval of the commission.

3726 [~~(18)~~] (17) (a) An on-premise beer retailer licensee may not sell, transfer, assign,
3727 exchange, barter, give, or attempt in any way to dispose of the license to any person, whether
3728 for monetary gain or not.

3729 (b) An on-premise beer retailer license has no monetary value for the purpose of any
3730 type of disposition.

3731 Section 35. Section **32A-10-306** is amended to read:

3732 **32A-10-306. Operational restrictions.**

3733 (1) (a) Any person granted a temporary special event beer permit and any person
3734 involved in the storage, sale, or service of beer at the event for which a temporary special event
3735 the permit is issued, shall abide by this title, the rules of the commission, and the special
3736 conditions and requirements provided in this section.

3737 (b) Failure to comply as provided in Subsection (1)(a):

3738 (i) may result in:

3739 (A) an immediate revocation of the permit;

3740 (B) forfeiture of the surety bond; and

3741 (C) immediate seizure of all beer present at the event; and

3742 (ii) disqualifies the organization from applying for a temporary special event beer
3743 permit under this part or a single event permit under Chapter 7, Single Event Permits, for a
3744 period of three years from the date of revocation of the temporary special event permit.

3745 (c) Any beer seized under this Subsection (1) shall be returned to the organization after
3746 the event if forfeiture proceedings are not instituted under Section 32A-13-103.

3747 (2) Special conditions and requirements for temporary special event beer permittees
3748 include the following:

3749 (a) (i) All persons involved in the storage, sale, or service of beer at the temporary
3750 special event do so under the supervision and direction of the permittee.

3751 (ii) All persons involved in the sale or service of beer at the temporary special event
3752 may not, while on duty:

3753 (A) consume an alcoholic beverage; or

- 3754 (B) be intoxicated.
- 3755 (b) (i) All beer stored, sold, served, and consumed at the temporary special event shall
3756 be purchased by the permittee from a licensed beer wholesaler or retailer.
- 3757 (ii) All beer is considered under the control of the permittee during the temporary
3758 special event.
- 3759 (iii) An attendee of the temporary special event may not bring any alcoholic beverages
3760 onto the premises of the temporary special event.
- 3761 (c) Each permittee shall post in a prominent place in the area in which beer is being
3762 sold, served, and consumed:
- 3763 (i) a copy of the permit; and
3764 (ii) a list of the operational restrictions and requirements of temporary special event
3765 beer permittees set forth in this section.
- 3766 (d) Beer purchased for a temporary special event may not be stored, sold, served, or
3767 consumed in any location other than that described in the application and designated on the
3768 temporary special event permit unless the permittee first applies for and receives approval from
3769 the commission for a change of location.
- 3770 (e) (i) Subject to Subsection (2)(e)(ii), beer may be sold for on-premise consumption:
3771 (A) in an open container; and
3772 (B) on draft.
- 3773 (ii) Beer sold pursuant to Subsection (2)(e)(i) shall be in a size of container that does
3774 not exceed two liters, except that beer may not be sold to an individual attendee in a size of
3775 container that exceeds one liter.
- 3776 (f) (i) Beer may not be sold, offered for sale, served, otherwise furnished, or consumed
3777 between the hours of 1 a.m. and 10 a.m.
- 3778 (ii) This Subsection (2)(f) does not preclude a local authority from being more
3779 restrictive with respect to the hours of sale, service, or consumption of beer at a temporary
3780 special event.
- 3781 (g) Beer may not be sold, served, or otherwise furnished to any:

- 3782 (i) minor;
- 3783 (ii) person actually, apparently, or obviously intoxicated;
- 3784 (iii) known habitual drunkard; or
- 3785 (iv) known interdicted person.
- 3786 (h) (i) Beer may not be sold at less than the cost of the beer to the permittee.
- 3787 (ii) Beer may not be sold at a price that encourages over consumption or intoxication.
- 3788 (iii) Beer may not be sold at a special or reduced price for only certain hours of the day
- 3789 of the permitted event.
- 3790 (iv) The sale or service of more than one beer beverage for the price of a single beer
- 3791 beverage is prohibited.
- 3792 (v) The permittee may not engage in a public promotion involving or offering free beer
- 3793 to the general public.
- 3794 (i) The permittee and its employees may not permit an attendee to carry from the
- 3795 premises an open container that:
- 3796 (i) is used for drinking purposes; and
- 3797 (ii) contains any alcoholic beverage.
- 3798 (j) A minor may not sell, serve, dispense, or handle any beer at a temporary special
- 3799 event.
- 3800 [~~(3) The following acts or conduct at an event for which a permit is issued under this~~
- 3801 ~~part are considered contrary to the public welfare and morals, and are prohibited upon the~~
- 3802 ~~premises:]~~
- 3803 [~~(a) employing or using any person in the sale or service of alcoholic beverages while~~
- 3804 ~~the person is unclothed or in attire, costume, or clothing that exposes to view any portion of the~~
- 3805 ~~female breast below the top of the areola or any portion of the pubic hair, anus, cleft of the~~
- 3806 ~~buttocks, vulva, or genitals;]~~
- 3807 [~~(b) employing or using the services of any person to mingle with the patrons while the~~
- 3808 ~~person is unclothed or in attire, costume, or clothing described in Subsection (3)(a);]~~
- 3809 [~~(c) encouraging or permitting any person to touch, caress, or fondle the breasts;~~

3810 ~~buttocks, anus, or genitals of any other person;]~~

3811 ~~[(d) permitting any employee or person to wear or use any device or covering, exposed~~
3812 ~~to view, that simulates the breast, genitals, anus, pubic hair, or any portion of these;]~~

3813 ~~[(e) permitting any person to use artificial devices or inanimate objects to depict any of~~
3814 ~~the prohibited activities described in this Subsection (3);]~~

3815 ~~[(f) permitting any person to remain in or upon the premises who exposes to public~~
3816 ~~view any portion of his or her genitals or anus; or]~~

3817 ~~[(g) showing films, still pictures, electronic reproductions, or other visual~~
3818 ~~reproductions depicting;]~~

3819 ~~[(i) acts or simulated acts of sexual intercourse, masturbation, sodomy, bestiality, oral~~
3820 ~~copulation, flagellation, or any sexual acts prohibited by Utah law;]~~

3821 ~~[(ii) any person being touched, caressed, or fondled on the breast, buttocks, anus, or~~
3822 ~~genitals;]~~

3823 ~~[(iii) scenes wherein artificial devices or inanimate objects are used to depict, or~~
3824 ~~drawings are used to portray, any of the prohibited activities described in this Subsection (3);~~
3825 ~~or]~~

3826 ~~[(iv) scenes wherein a person displays the vulva, anus, or the genitals.]~~

3827 ~~[(4) Nothing in Subsection (3) precludes a local authority from being more restrictive~~
3828 ~~of acts or conduct of the type prohibited in Subsection (3).]~~

3829 ~~[(5) (a) Although live entertainment is permitted at the event for which a permit has~~
3830 ~~been issued under this chapter, a permittee may not allow any person to perform or simulate~~
3831 ~~sexual acts prohibited by Utah law, including sexual intercourse, masturbation, sodomy,~~
3832 ~~bestiality, oral copulation, flagellation, the touching, caressing, or fondling of the breast,~~
3833 ~~buttocks, anus, or genitals, or the displaying of the pubic hair, anus, vulva, or genitals.~~
3834 ~~Entertainers shall perform only upon a stage or at a designated area approved by the~~
3835 ~~commission.]~~

3836 ~~[(b) Nothing in Subsection (5)(a) precludes a local authority from being more~~
3837 ~~restrictive of acts or conduct of the type prohibited in Subsection (5)(a).]~~

3838 [~~(6)~~] (3) The permittee shall maintain an expense and revenue ledger or record
3839 showing:

3840 (a) expenditures made for beer; and

3841 (b) the revenue from sale of beer.

3842 [~~(7)~~] (4) A temporary special event beer permit may not be transferred.

3843 [~~(8)~~] (5) A temporary special event beer permittee may not engage in or allow any form
3844 of gambling, or have any video gaming device as defined and proscribed by Title 76, Chapter
3845 10, Part 11, Gambling, on the premises serviced by the permittee.

3846 Section 36. Section **32A-12-209** is amended to read:

3847 **32A-12-209. Unlawful purchase, possession, consumption by minors --**

3848 **Measurable amounts in body.**

3849 (1) Unless specifically authorized by this title, it is unlawful for any minor to:

3850 (a) purchase any alcoholic beverage or product;

3851 (b) attempt to purchase any alcoholic beverage or product;

3852 (c) solicit another person to purchase any alcoholic beverage or product;

3853 (d) possess any alcoholic beverage or product;

3854 (e) consume any alcoholic beverage or product; or

3855 (f) have measurable blood, breath, or urine alcohol concentration in the minor's body.

3856 (2) It is unlawful for the purpose of purchasing or otherwise obtaining an alcoholic
3857 beverage or product for a minor for:

3858 (a) any minor to misrepresent the minor's age; or

3859 (b) any other person to misrepresent the age of a minor.

3860 (3) It is unlawful for a minor to possess or consume any alcoholic beverage while
3861 riding in a limousine or chartered bus.

3862 (4) When a minor who is at least 18 years old, but younger than 21 years old, is found
3863 by a court to have violated this section:

3864 (a) if the violation is the minor's first violation of this section, the court may suspend
3865 the minor's driving privileges; or

3866 (b) if the violation is the minor's second or subsequent violation of this section, the
 3867 court shall suspend the minor's driving privileges.

3868 [~~(4)~~] (5) When a [~~person~~] minor who is at least 13 years old, but younger than 18 years
 3869 old, is found by the court to have violated this section, the provisions regarding suspension of
 3870 the driver's license under Section 78-3a-506 apply to the violation.

3871 [~~(5)~~] (6) When the court [~~has issued~~] issues an order suspending a person's driving
 3872 privileges for a violation of this section, the Driver License Division shall suspend the person's
 3873 license under [~~the provisions of~~] Section 53-3-219.

3874 [~~(6)~~] (7) When the Department of Public Safety receives the arrest or conviction record
 3875 of a person for a driving offense committed while the person's license is suspended pursuant to
 3876 this section, the department shall extend the suspension for an additional like period of time.

3877 [~~(7)~~] (8) This section does not apply to a minor's consumption of an alcoholic beverage
 3878 or product in accordance with this title:

(a) for medicinal purposes if the alcoholic beverage or product is furnished by:

(i) the parent or guardian of the minor; or

(ii) the minor's physician or dentist; or

(b) as part of a church's or religious organization's religious services.

Section 37. Section **32A-12-209.5** is enacted to read:

32A-12-209.5. Unlawful admittance or attempt to gain admittance by minor.

(1) It is unlawful for a minor to gain admittance or attempt to gain admittance to the
 3886 premises of:

(a) a tavern; or

(b) a class D private club, except to the extent authorized by Subsection 32A-5-107(8).

(2) A minor who violates this section is guilty of a class C misdemeanor.

(3) When a minor who is at least 18 years old, but younger than 21 years old, is found
 3891 by a court to have violated this section:

(a) if the violation is the minor's first violation of this section, the court may suspend
 3893 the minor's driving privileges; or

3894 (b) if the violation is the minor's second or subsequent violation of this section, the
3895 court shall suspend the minor's driving privileges.

3896 (4) When a minor who is at least 13 years old, but younger than 18 years old, is found
3897 by a court to have violated this section, the provisions regarding suspension of the driver's
3898 license under Section 78-3a-506 apply to the violation.

3899 (5) When the court issues an order suspending a person's driving privileges for a
3900 violation of this section, the Driver License Division shall suspend the person's license under
3901 Section 53-3-219.

3902 (6) When the Department of Public Safety receives the arrest or conviction record of a
3903 person for a driving offense committed while the person's license is suspended pursuant to this
3904 section, the department shall extend the suspension for an additional like period of time.

3905 Section 38. Section **32A-12-213** is amended to read:

3906 **32A-12-213. Unlawful bringing onto premises for consumption.**

3907 (1) Except as provided in Subsection (3), a person may not bring for on-premise
3908 consumption any alcoholic beverage onto the premises of any:

3909 (a) licensed or unlicensed restaurant;

3910 (b) licensed or unlicensed private club;

3911 (c) airport lounge licensee;

3912 (d) on-premise banquet licensee;

3913 (e) on-premise beer retailer licensee;

3914 (f) event where alcoholic beverages are sold or served under a single event permit or
3915 temporary special event beer permit issued under this title; or

3916 (g) any establishment open to the general public.

3917 (2) Except as provided in Subsection (3), a licensed or unlicensed restaurant or private
3918 club, airport lounge licensee, on-premise banquet licensee, on-premise beer retailer licensee, or
3919 holder of a single event permit or temporary special event beer permit issued under this title, or
3920 its officers, managers, employees, or agents may not allow a person to bring onto its premises
3921 any alcoholic beverage for on-premise consumption or allow consumption of any such

3922 alcoholic beverage in violation of this section.

3923 (3) (a) A person may bring bottled wine onto the premises of any restaurant liquor
3924 licensee, limited restaurant licensee, or private club licensee and consume the wine pursuant to
3925 the applicable restrictions contained in Subsection 32A-4-106(14), 32A-4-307(14), or
3926 32A-5-107[~~(32)~~] (31);

3927 (b) a passenger of a limousine may bring onto, have, and consume any alcoholic
3928 beverage on the limousine if:

3929 (i) the travel of the limousine begins and ends at:

3930 (A) the residence of the passenger;

3931 (B) the hotel of the passenger, if the passenger is a registered guest of the hotel; or

3932 (C) the temporary domicile of the passenger; and

3933 (ii) the driver of the limousine is separated from the passengers by partition or other
3934 means approved by the department;

3935 (c) a passenger of a chartered bus may bring onto, have, and consume any alcoholic
3936 beverage on the chartered bus:

3937 (i) (A) but may consume only during travel to a specified destination of the chartered
3938 bus and not during travel back to the place where the travel begins; or

3939 (B) if the travel of the chartered bus begins and ends at:

3940 (I) the residence of the passenger;

3941 (II) the hotel of the passenger, if the passenger is a registered guest of the hotel; or

3942 (III) the temporary domicile of the passenger; and

3943 (ii) the chartered bus has a nondrinking designee other than the driver traveling on the
3944 chartered bus to monitor consumption; and

3945 (d) a person may bring onto any premises, have, and consume any alcoholic beverage
3946 at a privately hosted event that is not open to the general public.

3947 (4) Except as provided in Subsection (3)(c)(i)(A), the consumption of alcoholic
3948 beverages in limousines and chartered buses is not allowed if the limousine or chartered bus
3949 drops off passengers at locations from which they depart in private vehicles.

3950 Section 39. Section **32A-12-401** is amended to read:

3951 **32A-12-401. Advertising prohibited -- Exceptions.**

3952 (1) (a) The advertising of liquor by the department is prohibited, except:

3953 [~~(a)~~] (i) the department may provide for an appropriate sign in the window or on the
3954 front of a state store or package agency denoting that it is a state authorized liquor outlet;

3955 [~~(b)~~] (ii) the department or a package agency may provide printed price lists to the
3956 public; [~~and~~]

3957 [~~(c)~~] (iii) the department may authorize the use of price posting and floor stacking of
3958 liquor within state stores[-];

3959 (iv) subject to Subsection (1)(b), the department may provide a listing of the address
3960 and telephone number of a state store in one or more printed or electronic directories available
3961 to the general public; and

3962 (v) subject to Subsection (1)(b), a package agency may provide a listing of its address
3963 and telephone number in one or more printed or electronic directories available to the general
3964 public.

3965 (b) Any listing under Subsection (1)(a)(iv) or (v) in the business or yellow pages of a
3966 telephone directory may not be displayed in an advertisement or other promotional format.

3967 (2) (a) The department may not advertise alcoholic beverages on billboards.

3968 (b) A package agency may not advertise alcoholic beverages on billboards except to the
3969 extent allowed by the commission by rule.

3970 (3) (a) The department may not display liquor or price lists in windows or showcases
3971 visible to passersby.

3972 (b) A package agency may not display liquor or price lists in windows or showcases
3973 visible to passersby except to the extent allowed by the commission by rule.

3974 (4) Except to the extent prohibited by this title, the advertising of alcoholic beverages
3975 is allowed under guidelines established by the commission by rule.

3976 (5) The advertising or use of any means or media to offer alcoholic beverages to the
3977 general public without charge is prohibited.

3978 Section 40. Section **32A-14a-102** is amended to read:

3979 **32A-14a-102. Liability for injuries and damage resulting from distribution of**
3980 **alcoholic beverages -- Causes of action -- Statute of limitations -- Employee protections.**

3981 (1) (a) Except as provided in Section 32A-14a-103, a person described in Subsection
3982 (1)(b) is liable for:

3983 (i) any and all injury and damage, except punitive damages to:

3984 (A) any third person; or

3985 (B) the heir, as defined in Section 78-11-6.5, of that third person; or

3986 (ii) for the death of a third person.

3987 (b) A person is liable under Subsection (1)(a) if:

3988 (i) the person directly gives, sells, or otherwise provides an alcoholic beverage:

3989 (A) to a person described in Subsection (1)(b)(ii); and

3990 (B) as part of the commercial sale, storage, service, manufacture, distribution, or
3991 consumption of alcoholic products;

3992 (ii) those actions cause the intoxication of:

3993 (A) any individual under the age of 21 years;

3994 (B) any individual who is apparently under the influence of intoxicating alcoholic
3995 products or drugs;

3996 (C) any individual whom the person furnishing the alcoholic beverage knew or should
3997 have known from the circumstances was under the influence of intoxicating alcoholic
3998 beverages or products or drugs; or

3999 (D) any individual who is a known interdicted person; and

4000 (iii) the injury or death described in Subsection (1)(a) results from the intoxication of
4001 the individual who is provided the alcoholic beverage.

4002 (2) (a) A person 21 years of age or older who is described in Subsection (2)(b) is liable
4003 for:

4004 (i) any and all injury and damage, except punitive damages to:

4005 (A) any third person; or

4006 (B) the heir, as defined in Section 78-11-6.5, of that third person; or
4007 (ii) for the death of the third person.
4008 (b) A person is liable under Subsection (2)(a) if:
4009 (i) that person directly gives or otherwise provides an alcoholic beverage to an
4010 individual who the person knows or should have known is under the age of 21 years;
4011 (ii) those actions caused the intoxication of the individual provided the alcoholic
4012 beverage;
4013 (iii) the injury or death described in Subsection (2)(a) results from the intoxication of
4014 the individual who is provided the alcoholic beverage; and
4015 (iv) the person is not liable under Subsection (1), because the person did not directly
4016 give or provide the alcoholic beverage as part of the commercial sale, storage, service,
4017 manufacture, distribution, or consumption of alcoholic products.
4018 (3) Except for a violation of Subsection (2), an employer is liable for the actions of its
4019 employees in violation of this chapter.
4020 (4) A person who suffers an injury under Subsection (1) or (2) has a cause of action
4021 against the person who provided the alcoholic beverage in violation of Subsection (1) or (2).
4022 (5) If a person having rights or liabilities under this chapter dies, the rights or liabilities
4023 provided by this chapter survive to or against that person's estate.
4024 (6) The total amount that may be awarded to any person pursuant to a cause of action
4025 for injury and damage under this chapter that arises after January 1, 1998, is limited to
4026 \$500,000 and the aggregate amount which may be awarded to all persons injured as a result of
4027 one occurrence is limited to \$1,000,000.
4028 (7) An action based upon a cause of action under this chapter shall be commenced
4029 within two years after the date of the injury and damage.
4030 (8) (a) Nothing in this chapter precludes any cause of action or additional recovery
4031 against the person causing the injury.
4032 (b) Any cause of action or additional recovery against the person causing the injury and
4033 damage, which action is not brought under this chapter, is exempt from the damage cap in

4034 Subsection (6).

4035 (c) Any cause of action brought under this chapter is exempt from Sections 78-27-37
4036 through 78-27-43.

4037 (9) This section does not apply to a [~~general food store or other establishment~~] business
4038 licensed under Chapter 10, Part 1, General Provisions, to sell beer at retail only for off-premise
4039 consumption.

4040 Section 41. Section **53-3-219** is amended to read:

4041 **53-3-219. Suspension of minor's driving privileges.**

4042 (1) The division shall immediately suspend all driving privileges of any person upon
4043 receipt of an order suspending driving privileges under Section 32A-12-209, Section
4044 32A-12-209.5, Subsection 76-9-701(1), or Section 78-3a-506.

4045 (a) Upon receipt of the first order suspending a person's driving privileges, the division
4046 shall impose a suspension for 90 days or, if the person is under the age of eligibility for a driver
4047 license, the suspension shall begin on the date of conviction and continue for the first 90 days
4048 following the date of eligibility.

4049 (b) Upon receipt of a second order suspending a person's driving privileges, the
4050 division shall impose a suspension for six months or, if the person is under the age of eligibility
4051 for a driver license, the suspension shall begin on the date of conviction and continue for the
4052 first six months following the date of eligibility.

4053 (c) Upon receipt of a third or subsequent order suspending a person's driving
4054 privileges, the division shall impose a suspension for one year or, if the person is under the age
4055 of eligibility for a driver license, the suspension shall begin on the date of conviction and
4056 continue for one year beginning on the date of eligibility.

4057 (2) After reinstatement of the license under Subsection (1)(a), a report authorized under
4058 Section 53-3-104 may not contain evidence of the suspension of a minor's license under this
4059 section if the minor has not been convicted of any other offense for which the suspension under
4060 Subsection (1)(a) may be extended.

4061 Section 42. Section **62A-15-401** is amended to read:

4062 **62A-15-401. Alcohol training and education seminar.**

4063 (1) As used in this part:

4064 [~~(a)~~] ~~"general food store" is as defined in Section 32A-1-105;~~

4065 [~~(b)~~] (a) "Instructor" means a person that directly provides the instruction during an
4066 alcohol training and education seminar for a seminar provider[;].

4067 [~~(c)~~] (b) "Licensee" means a person who is:

4068 (i) (A) a new or renewing licensee under Title 32A, Alcoholic Beverage Control Act;
4069 and

4070 (B) engaged in the retail sale of alcoholic beverages for consumption on the premises
4071 of the licensee; or

4072 (ii) a [~~general food store or similar~~] business that is:

4073 (A) a new or renewing licensee licensed by a city, town, or county; and

4074 (B) engaged in the retail sale of beer for consumption off the premises of the
4075 licensee[;].

4076 [~~(d)~~] (c) "Off-premise beer retailer" is as defined in Section 32A-1-105[; ~~and~~].

4077 [~~(e)~~] (d) "Seminar provider" means a person other than the division who provides an
4078 alcohol training and education seminar meeting the requirements of this section.

4079 (2) (a) This section applies to an individual who, as defined by the board by rule:

4080 (i) manages operations at the premises of a licensee engaged in the retail sale of
4081 alcoholic beverages for consumption on the premises of the licensee;

4082 (ii) supervises the serving of alcoholic beverages to a customer for consumption on the
4083 premises of a licensee;

4084 (iii) serves alcoholic beverages to a customer for consumption on the premises of a
4085 licensee;

4086 (iv) directly supervises the sale of beer to a customer for consumption off the premises
4087 of an off-premise beer retailer licensee; or

4088 (v) sells beer to a customer for consumption off the premises of an off-premise beer
4089 retailer licensee.

4090 (b) If the individual does not have a valid certificate that the individual has completed
4091 an alcohol training and education seminar, an individual described in Subsection (2)(a) shall:

4092 (i) (A) complete an alcohol training and education seminar within 30 days of the
4093 following if the individual is described in Subsections (2)(a)(i) through (iii):

4094 (I) if the individual is an employee, the day the individual begins employment;

4095 (II) if the individual is an independent contractor, the day the individual is first hired;

4096 or

4097 (III) if the individual holds an ownership interest in the licensee, the day that the
4098 individual first engages in an activity that would result in that individual being required to
4099 complete an alcohol training and education seminar; or

4100 (B) complete an alcohol training and education seminar within the time periods
4101 specified in Subsection 32A-10-103(1) if the individual is described in Subsections (2)(a)(iv)
4102 and (v); and

4103 (ii) pay a fee:

4104 (A) to the seminar provider; and

4105 (B) that is equal to or greater than the amount established under Subsection (4)(h).

4106 (c) An individual shall have a valid certificate that the individual completed an alcohol
4107 training and education seminar within the time period provided in this Subsection (2) to engage
4108 in an activity described in Subsection (2)(a).

4109 (d) A certificate that an individual has completed an alcohol training and education
4110 seminar is valid for:

4111 (i) three years from the day on which the certificate is issued for an individual
4112 described in Subsection (2)(a)(i), (ii), or (iii); and

4113 (ii) five years from the day on which the certificate is issued for an individual described
4114 in Subsection (2)(a)(iv) or (v).

4115 (3) (a) A licensee may not permit an individual who is not in compliance with
4116 Subsection (2) to:

4117 (i) serve or supervise the serving of alcoholic beverages to a customer for consumption

4118 on the premises of the licensee;

4119 (ii) engage in any activity that would constitute managing operations at the premises of

4120 a licensee that engages in the retail sale of alcoholic beverages for consumption on the

4121 premises of the licensee;

4122 (iii) directly supervise the sale of beer to a customer for consumption off the premises

4123 of an off-premise beer retailer licensee; or

4124 (iv) sell beer to a customer for consumption off the premises of an off-premise beer

4125 retailer licensee.

4126 (b) A licensee that violates Subsection (3)(a) is subject to Section 32A-1-401.

4127 (4) The division shall:

4128 (a) (i) provide alcohol training and education seminars; or

4129 (ii) certify one or more seminar providers;

4130 (b) establish the curriculum for an alcohol training and education seminar that includes

4131 the following subjects:

4132 (i) (A) alcohol as a drug; and

4133 (B) alcohol's effect on the body and behavior;

4134 (ii) recognizing the problem drinker or signs of intoxication;

4135 (iii) an overview of state alcohol laws related to responsible beverage sale or service,

4136 as determined in consultation with the Department of Alcoholic Beverage Control;

4137 (iv) dealing with the problem customer, including ways to terminate sale or service;

4138 and

4139 (v) for those supervising or engaging in the retail sale of alcoholic beverages for

4140 consumption on the premises of a licensee, alternative means of transportation to get the

4141 customer safely home;

4142 (c) recertify each seminar provider every three years;

4143 (d) monitor compliance with the curriculum described in Subsection (4)(b);

4144 (e) maintain for at least five years a record of every person who has completed an

4145 alcohol training and education seminar;

- 4146 (f) provide the information described in Subsection (4)(e) on request to:
- 4147 (i) the Department of Alcoholic Beverage Control;
- 4148 (ii) law enforcement; or
- 4149 (iii) a person licensed by the state or a local government to sell alcoholic beverages;
- 4150 (g) provide the Department of Alcoholic Beverage Control on request a list of any
- 4151 seminar provider certified by the division; and
- 4152 (h) establish a fee amount for each person attending an alcohol training and education
- 4153 seminar that is sufficient to offset the division's cost of administering this section.
- 4154 (5) The board shall by rule made in accordance with Title 63, Chapter 46a, Utah
- 4155 Administrative Rulemaking Act:
- 4156 (a) define what constitutes under this section an individual who:
- 4157 (i) manages operations at the premises of a licensee engaged in the retail sale of
- 4158 alcoholic beverages for consumption on the premises of the licensee;
- 4159 (ii) supervises the serving of alcoholic beverages to a customer for consumption on the
- 4160 premises of a licensee;
- 4161 (iii) serves alcoholic beverages to a customer for consumption on the premises of a
- 4162 licensee;
- 4163 (iv) directly supervises the sale of beer to a customer for consumption off the premises
- 4164 of an off-premise retailer beer licensee; or
- 4165 (v) sells beer to a customer for consumption off the premises of an off-premise beer
- 4166 retailer licensee;
- 4167 (b) establish criteria for certifying and recertifying a seminar provider; and
- 4168 (c) establish guidelines for the manner in which an instructor provides an alcohol
- 4169 education and training seminar.
- 4170 (6) A seminar provider shall:
- 4171 (a) obtain recertification by the division every three years;
- 4172 (b) ensure that an instructor used by the seminar provider:
- 4173 (i) follows the curriculum established under this section; and

4174 (ii) conducts an alcohol training and education seminar in accordance with the
4175 guidelines established by rule;

4176 (c) ensure that any information provided by the seminar provider or instructor of a
4177 seminar provider is consistent with:

4178 (i) the curriculum established under this section; and
4179 (ii) this section;

4180 (d) provide the division with the names of all persons who complete an alcohol training
4181 and education seminar provided by the seminar provider;

4182 (e) (i) collect a fee for each person attending an alcohol training and education seminar
4183 in accordance with Subsection (2); and
4184 (ii) forward to the division the portion of the fee that is equal to the amount described
4185 in Subsection (4)(h); and

4186 (f) issue a certificate to an individual that completes an alcohol training and education
4187 seminar provided by the seminar provider.

4188 (7) (a) If after a hearing conducted in accordance with Title 63, Chapter 46b,
4189 Administrative Procedures Act, the division finds that a seminar provider violates this section
4190 or that an instructor of the seminar provider violates this section, the division may:

4191 (i) suspend the certification of the seminar provider for a period not to exceed 90 days;
4192 (ii) revoke the certification of the seminar provider;
4193 (iii) require the seminar provider to take corrective action regarding an instructor; or
4194 (iv) prohibit the seminar provider from using an instructor until such time that the
4195 seminar provider establishes to the satisfaction of the division that the instructor is in
4196 compliance with Subsection (6)(b).

4197 (b) The division may certify a seminar provider whose certification is revoked:
4198 (i) no sooner than 90 days from the date the certification is revoked; and
4199 (ii) if the seminar provider establishes to the satisfaction of the division that the
4200 seminar provider will comply with this section.

4201 Section 43. Section **76-9-701** is amended to read:

4202 **76-9-701. Intoxication -- Release of arrested person or placement in detoxification**
4203 **center.**

4204 (1) A person is guilty of intoxication if [~~he~~] the person is under the influence of
4205 alcohol, a controlled substance, or any substance having the property of releasing toxic vapors,
4206 to a degree that the person may endanger [~~himself~~] the person or another, in a public place or in
4207 a private place where [~~he~~] the person unreasonably disturbs other persons.

4208 (2) (a) A peace officer or a magistrate may release from custody [~~an individual~~] a
4209 person arrested under this section if [~~he~~] the peace officer or magistrate believes imprisonment
4210 is unnecessary for the protection of the [~~individual~~] person or another[~~;-or-a~~].

4211 (b) A peace officer may take the arrested person to a detoxification center or other
4212 special facility as an alternative to incarceration or release from custody.

4213 (3) When a person who is at least 18 years old, but younger than 21 years old, is found
4214 by a court to have violated this section:

4215 (a) if the violation is the person's first violation of this section, the court may suspend
4216 the person's driving privileges; or

4217 (b) if the violation is the person's second or subsequent violation of this section, the
4218 court shall suspend the person's driving privileges.

4219 [~~(3)~~] (4) When a person who is at least 13 years old, but younger than 18 years old, is
4220 found by [~~the~~] a court to have violated this section, the provisions regarding suspension of the
4221 driver's license under Section 78-3a-506 apply to the violation.

4222 [~~(4)~~] (5) When the court [~~has issued~~] issues an order suspending a person's driving
4223 privileges for a violation of this section, the person's driver license shall be suspended under
4224 Section 53-3-219.

4225 [~~(5)~~] (6) An offense under this section is a class C misdemeanor.

4226 Section 44. Section **78-3a-506** is amended to read:

4227 **78-3a-506. Suspension of license for certain offenses.**

4228 (1) This section applies to minors who are at least 13 years of age when found by the
4229 court to be within its jurisdiction by the commission of any offense under:

- 4230 (a) Section 58-37-8 [~~or~~];
- 4231 (b) Section 32A-12-209[;];
- 4232 (c) Section 32A-12-209.5;
- 4233 (d) Title 58, Chapter 37a, Utah Drug Paraphernalia Act[;];
- 4234 (e) Title 58, Chapter 37b, Imitation Controlled Substances[;]; or
- 4235 (f) Subsection 76-9-701(1).

4236 (2) If the court hearing the case determines that the minor committed an offense under
4237 Section 58-37-8 or Title 58, Chapter 37a or 37b, the court shall prepare and send to the Driver
4238 License Division of the Department of Public Safety an order to suspend that minor's driving
4239 privileges.

4240 (3) If the court hearing the case determines that the minor violated Section
4241 32A-12-209, Section 32A-12-209.5, or Subsection 76-9-701(1), and the violation is the
4242 minor's:

- 4243 (a) first violation, the court may suspend the minor's driving privileges; or
- 4244 (b) second or subsequent violation, the court shall suspend the minor's driving
4245 privileges.

4246 (4) [~~When~~] A minor's license shall be suspended under Section 53-3-219 when a court
4247 [~~has issued~~] issues an order suspending [a] the minor's driving privileges for a violation of:

- 4248 (a) Section 32A-12-209 [~~or~~];
- 4249 (b) Section 32A-12-209.5;
- 4250 (c) Section 58-37-8[;];
- 4251 (d) Title 58, Chapter 37a or 37b[;]; or
- 4252 (e) Subsection 76-9-701(1)[~~, the minor's license shall be suspended under Section~~

4253 ~~53-3-219~~].

4254 (5) When the Department of Public Safety receives the arrest or conviction record of a
4255 person for a driving offense committed while his license is suspended under this section, the
4256 department shall extend the suspension for a like period of time.

4257 Section 45. **Repealer.**

4258 This bill repeals:

4259 Section **59-16-101, Tax basis -- 13% rate -- Collection -- Disposition of revenues.**

4260 Section **59-16-102, Action for collection of tax -- Limit for refund or credit of tax.**

4261 Section 46. **Effective date.**

4262 This bill takes effect on April 30, 2007, except that:

4263 (1) the amendments to Section 32A-1-122 in this bill take effect on July 1, 2007; and

4264 (2) the repeal of the following take effect on July 1, 2007:

4265 (a) Section 59-16-101; and

4266 (b) Section 59-16-102.