

- 26 ▶ imposes minimum mandatory penalties related to minors;
- 27 ▶ modifies where certain fines are deposited;
- 28 ▶ expands retail licenses eligible for conditional retail licenses and allows for a
- 29 three-month extension of the period of a conditional retail license;
- 30 ▶ addresses multiple retail licenses at the same building;
- 31 ▶ permits local authorities to impose more restrictive hour requirements for retail
- 32 licensees;
- 33 ▶ permits certain alcoholic products to be served in several containers;
- 34 ▶ creates a master full-service restaurant license;
- 35 ▶ creates a master limited-service restaurant license;
- 36 ▶ imposes a fee for applying to the commission for a ~~§~~ → [change] certain changes ← ~~§~~ in
- 36a location;
- 37 ▶ addresses private events at retail licensee premises;
- 38 ▶ addresses commission's authority to issue restaurant licenses;
- 39 ▶ modifies operational requirements for restaurant licensees;
- 40 ▶ extends the effective date for the Transfer of Retail License Act; and
- 41 ▶ makes technical and conforming changes.

42 Money Appropriated in this Bill:

43 This bill appropriates in fiscal year 2014:

- 44 ▶ to Attorney General - Administration as an ongoing appropriation:
 - 45 • from the Alcoholic Beverage Control Act Legal Fund, \$130,000 to pay for costs
 - 46 associated with the enforcement of Title 32B, Alcoholic Beverage Control Act.

47 Other Special Clauses:

48 This bill provides effective dates.

49 This bill provides revisor instructions.

50 Utah Code Sections Affected:

51 AMENDS:

52 **32B-1-102**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 2

53 **32B-1-201**, as last amended by Laws of Utah 2011, Chapter 334

54 **32B-1-202**, as enacted by Laws of Utah 2010, Chapter 276

55 **32B-1-207**, as enacted by Laws of Utah 2011, Chapter 334

56 **32B-2-202**, as last amended by Laws of Utah 2012, Chapter 365

- 57 **32B-2-301**, as last amended by Laws of Utah 2012, Chapter 357
- 58 **32B-2-305**, as last amended by Laws of Utah 2012, Fourth Special Session, Chapter 1
- 59 **32B-2-605**, as last amended by Laws of Utah 2012, Chapter 365
- 60 **32B-3-205**, as enacted by Laws of Utah 2010, Chapter 276
- 61 **32B-5-205**, as enacted by Laws of Utah 2010, Chapter 276
- 62 **32B-5-301**, as last amended by Laws of Utah 2011, Chapter 334
- 63 **32B-5-304**, as last amended by Laws of Utah 2011, Chapters 307 and 334
- 64 **32B-5-309 (Superseded 07/01/13)**, as enacted by Laws of Utah 2010, Chapter 276
- 65 **32B-6-203**, as last amended by Laws of Utah 2012, Fourth Special Session, Chapter 1
- 66 **32B-6-205**, as last amended by Laws of Utah 2011, Chapters 307 and 334
- 67 **32B-6-303**, as last amended by Laws of Utah 2012, Fourth Special Session, Chapter 1
- 68 **32B-6-305**, as last amended by Laws of Utah 2011, Chapters 307 and 334
- 69 **32B-6-903**, as enacted by Laws of Utah 2011, Chapter 334
- 70 **32B-6-905**, as enacted by Laws of Utah 2011, Chapter 334
- 71 **32B-8a-201 (Effective 07/01/13)**, as enacted by Laws of Utah 2011, Chapter 334
- 72 ~~§→ [—32B-9-204, as last amended by Laws of Utah 2012, Chapter 365] ←§~~
- 73 **32B-10-206**, as enacted by Laws of Utah 2010, Chapter 276
- 74 **32B-11-208**, as enacted by Laws of Utah 2010, Chapter 276
- 75 **32B-12-301**, as enacted by Laws of Utah 2010, Chapter 276

76 ENACTS:

- 77 **32B-2-307**, Utah Code Annotated 1953
- 78 **32B-5-207**, Utah Code Annotated 1953
- 79 **32B-5-311**, Utah Code Annotated 1953
- 80 **32B-6-206**, Utah Code Annotated 1953
- 81 **32B-6-306**, Utah Code Annotated 1953

82 **Uncodified Material Affected:**

83 AMENDS UNCODIFIED MATERIAL:

- 84 **Uncodified Section 7, Laws of Utah 2012, Fourth Special Session, Chapter 1**
- 85 This uncodified section affects Sections 32B-5-309 (Effective 07/01/13) and the
- 86 sections in Title 32B, Chapter 8a, Transfer of Retail License Act.
- 87 **Uncodified Section 8, Laws of Utah 2012, Fourth Special Session, Chapter 1**

1700 (B) apart from an area used:

1701 (I) for dining;

1702 (II) for staging; or

1703 (III) as a lobby or waiting area;

1704 (b) the full-service restaurant licensee uses an alcoholic product that is:

1705 (i) stored in an area described in Subsection (12)(a); or

1706 (ii) in an area not described in Subsection (12)(a) on the licensed premises and:

1707 (A) immediately before the alcoholic product is dispensed it is in an unopened

1708 container;

1709 (B) the unopened container is taken to an area described in Subsection (12)(a) before it

1710 is opened; and

1711 (C) once opened, the container is stored in an area described in Subsection (12)(a); and

1712 (c) any instrument or equipment used to dispense alcoholic product is located in an

1713 area described in Subsection (12)(a).

1714 (13) A full-service restaurant licensee may state in a food or alcoholic product menu a

1715 charge or fee made in connection with the sale, service, or consumption of liquor including:

1716 (a) a set-up charge;

1717 (b) a service charge; or

1718 (c) a chilling fee.

1719 (14) Except as provided in Subsection 32B-5-307(3)(d) and notwithstanding

1720 Subsection 32B-6-706(4), a full-service restaurant licensee may not allow a patron to remove a

1721 container containing an alcoholic product from the licensed premises of the full-service

1722 restaurant unless the full-service restaurant licensee ~~is~~ **holds** enters into ~~a~~ a package agency

1722a ~~contract~~ **contract** under which the

1723 full-service restaurant licensee may sell, offer for sale, or furnish sealed containers of an

1724 alcoholic product ~~is~~ **other than beer, and obtains permission from the local authority to sell,**

1724a **offer for sale, or furnish sealed containers of beer for off-premise consumption** ~~is~~ .

1725 (15) Subject to Section 32B-5-309, a full-service restaurant licensee may not

1726 temporarily rent or otherwise temporarily lease its premises to a person unless:

1727 (a) the person to whom the full-service restaurant licensee rents or leases the premises

1728 agrees in writing to comply with this title as if the person is the full-service restaurant licensee,

1729 except for a requirement related to making or maintaining a record; and

1730 (b) the full-service restaurant licensee takes reasonable steps to ensure that the person

1948 (b) the limited-service restaurant licensee uses an alcoholic product that is:
 1949 (i) stored in an area described in Subsection (12)(a); or
 1950 (ii) in an area not described in Subsection (12)(a) on the licensed premises and:
 1951 (A) immediately before the alcoholic product is dispensed it is in an unopened
 1952 container;
 1953 (B) the unopened container is taken to an area described in Subsection (12)(a) before it
 1954 is opened; and
 1955 (C) once opened, the container is stored in an area described in Subsection (12)(a); and
 1956 (c) any instrument or equipment used to dispense alcoholic product is located in an
 1957 area described in Subsection (12)(a).

1958 (13) A limited-service restaurant licensee may state in a food or alcoholic product
 1959 menu a charge or fee made in connection with the sale, service, or consumption of wine or
 1960 heavy beer including:

- 1961 (a) a set-up charge;
- 1962 (b) a service charge; or
- 1963 (c) a chilling fee.

1964 (14) Except as provided in Subsection 32B-5-307(3)(d) and notwithstanding
 1965 Subsection 32B-6-706(4), a limited-service restaurant licensee may not allow a patron to
 1966 remove a container containing an alcoholic product from the licensed premises of the
 1967 limited-service restaurant unless the limited-service restaurant licensee ~~§~~→ [holds] enters into ←~~§~~ a
 1967a package agency ~~§~~→ contract ←~~§~~
 1968 under which the limited-service restaurant licensee may sell, offer for sale, or furnish sealed
 1969 containers of an alcoholic product ~~§~~→ other than beer, and obtains permission from the local
 1969a authority under which the limited-service restaurant licensee may sell, offer for sale, or furnish
 1969b sealed containers of beer for off-premise consumption ←~~§~~ .

1970 (15) Subject to Section 32B-5-309, a limited-service restaurant licensee may not
 1971 temporarily rent or otherwise temporarily lease its premises to a person unless:

- 1972 (a) the person to whom the limited-service restaurant licensee rents or leases the
 1973 premises agrees in writing to comply with this title as if the person is the limited-service
 1974 restaurant licensee, except for a requirement related to making or maintaining a record; and
- 1975 (b) the limited-service restaurant licensee takes reasonable steps to ensure that the
 1976 person complies with this title as provided in Subsection (15)(a).

1977 Section 22. Section **32B-6-306** is enacted to read:

1978 **32B-6-306. Master limited-service restaurant license.**

2165 (B) the unopened container is taken to an area described in Subsection (12)(a) before it
2166 is opened; and

2167 (C) once opened, the container is stored in an area described in Subsection (12)(a); and

2168 (c) any instrument or equipment used to dispense the beer is located in an area
2169 described in Subsection (12)(a).

2170 (13) Notwithstanding Subsection 32B-6-706(4), a beer-only restaurant licensee may
2171 not allow a patron to remove a container containing an alcoholic product from the licensed
2172 premises of the beer-only restaurant unless the beer-only restaurant licensee ~~§~~→ [holds a package
2173 agency] obtains permission from the local authority ←~~§~~ under which the beer-only restaurant
2173a licensee may sell, offer for sale, or furnish sealed
2174 containers of beer ~~§~~→ for off premise consumption ←~~§~~ .

2175 (14) Subject to Section 32B-5-309, a beer-only restaurant licensee may not temporarily
2176 rent or otherwise temporarily lease its premises to a person unless:

2177 (a) the person to whom the beer-only restaurant licensee rents or leases the premises
2178 agrees in writing to comply with this title as if the person is the beer-only restaurant licensee,
2179 except for a requirement related to making or maintaining a record; and

2180 (b) the beer-only restaurant licensee takes reasonable steps to ensure that the person
2181 complies with this title as provided in Subsection (14)(a).

2182 Section 25. Section **32B-8a-201 (Effective 07/01/13)** is amended to read:
2183 **32B-8a-201 (Effective 07/01/13). Transferability of retail license.**

2184 (1) (a) A retail license is separate from other property of a retail licensee.

2185 (b) Notwithstanding Subsection (1)(a), the Legislature may terminate or modify the
2186 existence of any type of retail license.

2187 (c) Except as provided in this chapter, a person may not:

2188 (i) transfer a retail license from one location to another location; or

2189 (ii) sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the
2190 retail license to another person whether for monetary gain or not.

2191 (d) If approved by the commission and subject to the requirements of this chapter, a
2192 retail licensee may transfer a retail license:

2193 (i) from the retail licensee to another person, regardless of whether it is for the same
2194 premises; and

2195 (ii) from one premises of the retail licensee to another premises of the retail licensee.

2196 (2) (a) The commission may not approve the transfer of a retail license that results in a
2197 transferee holding a different type of retail license than is held by the transferor.

2198 (b) The commission may not approve the transfer of a retail license from one location
2199 to another location, if the location of the premises to which the retail license would be
2200 transferred is in a different county than the location of the licensed premises of the retail license
2201 being transferred.

2202 (3) The commission may not approve the transfer of a retail license if the transferee:

2203 (a) is not eligible to hold the same type of retail license as the retail license to be
2204 transferred at the premises to which the retail license would be transferred; or

2205 (b) is delinquent in the payment of any of the following that arises in full or in part out
2206 of the operation of a retail license:

2207 (i) a tax, fee, or charge due under this title or Title 59, Revenue and Taxation; or

2208 (ii) an amount due under Title 35A, Chapter 4, Employment Security Act.

2209 (4) This chapter does not apply to a:

2210 (a) master full-service restaurant license; or

2211 (b) master limited-service restaurant license.

2212 **§→ [Section 26. Section 32B-9-204 is amended to read:**

2213 ~~———— 32B-9-204. General operational requirements for an event permit.~~

2214 ~~———— (1) (a) An event permittee and a person involved in the storage, sale, offer for sale, or~~
2215 ~~furnishing of an alcoholic product at an event for which an event permit is issued, shall comply~~
2216 ~~with this title and rules of the commission.~~

2217 ~~———— (b) Failure to comply as provided in Subsection (1)(a):~~

2218 ~~———— (i) may result in:~~

2219 ~~———— (A) disciplinary action in accordance with Chapter 3, Disciplinary Actions and~~
2220 ~~Enforcement Act, against:~~

2221 ~~———— (I) an event permittee;~~

2222 ~~———— (H) a person involved in the storage, sale, offer for sale, or furnishing of an alcoholic~~
2223 ~~product at the event; or~~

2224 ~~———— (II) any combination of the persons listed in this Subsection (1)(b);~~

2225 ~~———— (B) immediate revocation of the event permit;~~

2226 ~~———— (C) forfeiture of a bond; or] ←§~~

2227 ~~§~~→ [(D) immediate seizure of an alcoholic product present at the event; and

2228 ———(ii) if the event permit is revoked, disqualifies the event permittee from applying for an

2229 event permit for a period of three years from the date of revocation of the event permit.

2230 ———(c) An alcoholic product seized under this Subsection (1) shall be returned to the event

2231 permittee after an event if forfeiture proceedings are not instituted under Section 32B-4-206.

2232 ———(2) (a) If there is a conflict between this part and the relevant part under this chapter for

2233 the specific type of special use permit held by the special use permittee, the relevant part

2234 governs:

2235 ———(b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," an

2236 event permittee may only sell, offer for sale, or furnish an alcoholic product specified in the

2237 relevant part under this chapter for the type of event permit that is held by the event permittee.

2238 ———(c) Notwithstanding that this part or the relevant part under this chapter for the type of

2239 event permit held by an event permittee refers to "event permittee," a person involved in the

2240 storage, sale, offer for sale, or furnishing of an alcoholic product at the event for which the

2241 event permit is issued is subject to the same requirement or prohibition.

2242 ———(3) An event permittee shall display a copy of the event permit in a prominent place in

2243 the area in which an alcoholic product is sold, offered for sale, furnished, and consumed.

2244 ———(4) An event permittee may not on the premises of the event:

2245 (a) engage in or allow any form of gambling, as defined and proscribed in Title 76,

2246 Chapter 10, Part 11, Gambling;

2247 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,

2248 Part 11, Gambling; or

2249 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires

2250 the risking of something of value for a return or for an outcome when the return or outcome is

2251 based upon an element of chance, excluding the playing of an amusement device that confers

2252 only an immediate and unrecorded right of replay not exchangeable for value.

2253 ———(5) An event permittee may not knowingly allow a person at an event to, in violation of

2254 Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug

2255 Paraphernalia Act:

2256 (a) sell, distribute, possess, or use a controlled substance, as defined in Section

2257 58-37-2; or] ←§

2258 ~~§→ [(b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in~~
2259 ~~Section 58-37a-3.~~

2260 ~~—— (6) An event permittee may not sell, offer for sale, or furnish beer except beer~~
2261 ~~purchases from:~~

2262 ~~—— (a) a beer wholesaler licensee;~~
2263 ~~—— (b) a beer retailer; or~~
2264 ~~—— (c) a small brewer.~~

2265 ~~—— (7) An event permittee may not store, sell, offer for sale, furnish, or allow the~~
2266 ~~consumption of an alcoholic product purchased for an event in a location other than that~~
2267 ~~described in the application and designated on the event permit unless the event permittee first~~
2268 ~~applies for and receives approval from the director, with the approval of the Compliance,~~
2269 ~~Licensing, and Enforcement Subcommittee, for a change of location.~~

2270 ~~—— (8) (a) Subject to Subsection (8)(b), an event permittee may sell, offer for sale, or~~
2271 ~~furnish beer for on-premise consumption:~~

2272 ~~—— (i) in an open original container; and~~
2273 ~~—— (ii) in a container on draft.~~

2274 ~~—— (b) An event permittee may not sell, offer for sale, or furnish beer sold pursuant to~~
2275 ~~Subsection (8)(a):~~

2276 ~~—— (i) in a size of container that exceeds two liters; or~~
2277 ~~(ii) to an individual patron in a size of container that exceeds one liter.~~

2278 ~~—— (9) (a) An event permittee may not sell or offer for sale an alcoholic product at less~~
2279 ~~than the cost of the alcoholic product to the event permittee.~~

2280 ~~—— (b) An event permittee may not sell an alcoholic product at a discount price on any date~~
2281 ~~or at any time.~~

2282 ~~—— (c) An event permittee may not sell or offer for sale an alcoholic product at a price that~~
2283 ~~encourages over consumption or intoxication.~~

2284 ~~—— (d) An event permittee may not sell or offer for sale an alcoholic product at a special or~~
2285 ~~reduced price for only certain hours of the day of an event.~~

2286 ~~—— (e) An event permittee may not sell, offer for sale, or furnish more than one alcoholic~~
2287 ~~product at the price of a single alcoholic product.~~

2288 ~~—— (f) An event permittee, or a person operating, selling, offering, or furnishing an] ←§~~

2289 ~~§→ [alcoholic product under an event permit, may not sell, offer for sale, or furnish an indefinite or~~
 2290 ~~unlimited number of alcoholic products during a set period for a fixed price, unless:~~
 2291 ~~—— (i) the alcoholic product is served to a patron at a seated event;~~
 2292 ~~—— (ii) food is available whenever the alcoholic product is sold, offered for sale, or~~
 2293 ~~furnished; and~~
 2294 ~~—— (iii) no person advertises that at the event a person may be sold or furnished an~~
 2295 ~~indefinite or unlimited number of alcoholic products during a set period for a fixed price.~~
 2296 ~~—— (g) An event permittee may not engage in a public promotion involving or offering a~~
 2297 ~~free alcoholic product to the general public.~~
 2298 ~~—— (10) An event permittee may not sell, offer for sale, or furnish an alcoholic product to:~~
 2299 ~~—— (a) a minor;~~
 2300 ~~—— (b) a person actually, apparently, or obviously intoxicated;~~
 2301 ~~—— (c) a known interdicted person; or~~
 2302 ~~—— (d) a known habitual drunkard.~~
 2303 ~~—— (11) (a) An alcoholic product is considered under the control of the event permittee~~
 2304 ~~during an event.~~
 2305 ~~—— (b) A patron at an event may not bring an alcoholic product onto the premises of the~~
 2306 ~~event.~~
 2307 ~~—— (12) An event permittee may not permit a patron to carry from the premises an open~~
 2308 ~~container that:~~
 2309 ~~—— (a) is used primarily for drinking purposes; and~~
 2310 ~~—— (b) contains an alcoholic product.~~
 2311 ~~—— (13) (a) A person involved in the storage, sale, or furnishing of an alcoholic product at~~
 2312 ~~an event is considered under the supervision and direction of the event permittee.~~
 2313 ~~—— (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product at~~
 2314 ~~an event may not, while on duty:~~
 2315 ~~—— (i) consume an alcoholic product; or~~
 2316 ~~—— (ii) be intoxicated.~~
 2317 ~~—— (14) A minor may not handle, sell, offer for sale, or furnish an alcoholic product at an~~
 2318 ~~event.~~
 2319 ~~—— (15) The location specified in an event permit may not be changed without prior] ←§~~

2320 ~~§→ [written approval of the commission. An event permittee shall pay an application fee of \$300 to~~
 2321 ~~apply for the written approval of the commission under this Subsection (15).~~

2322 ~~—— (16) An event permittee may not sell, transfer, assign, exchange, barter, give, or~~
 2323 ~~attempt in any way to dispose of the event permit to another person whether for monetary gain~~
 2324 ~~or not.~~

2325 ~~—— (17) (a) An event permittee may not sell, offer for sale, furnish, or allow the~~
 2326 ~~consumption of an alcoholic product during a period that:~~

2327 ~~—— (i) begins at 1 a.m.; and~~

2328 ~~—— (ii) ends at 9:59 a.m.~~

2329 ~~—— (b) This Subsection (17) does not preclude a local authority from being more restrictive~~
 2330 ~~with respect to the hours of sale, offer for sale, furnishing, or consumption of an alcoholic~~
 2331 ~~product at an event.~~

2332 ~~—— (18) A patron may have no more than one alcoholic product of any kind at a time~~
 2333 ~~before the patron.~~

2334 ~~—— (19) (a) An event permittee shall display, in a prominent place, a sign in large letters~~
 2335 ~~that consists of text in the following order:~~

2336 ~~—— (i) a header that reads: "WARNING";~~

2337 ~~—— (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy~~
 2338 ~~can cause birth defects and permanent brain damage for the child.";~~

2339 ~~§→ [(iii) a statement in smaller font that reads: "Call the Utah Department of Health at~~
 2340 ~~[insert most current toll-free number] with questions or for more information.";~~

2341 ~~—— (iv) a header that reads: "WARNING"; and~~

2342 ~~—— (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a~~
 2343 ~~serious crime that is prosecuted aggressively in Utah."~~

2344 ~~—— (b) (i) The text described in Subsections (19)(a)(i) through (iii) shall be in a different~~
 2345 ~~font style than the text described in Subsections (19)(a)(iv) and (v).~~

2346 ~~—— (ii) The warning statements in the sign described in Subsection (19)(a) shall be in the~~
 2347 ~~same font size.~~

2348 ~~—— (c) The Department of Health shall work with the commission and department to~~
 2349 ~~facilitate consistency in the format of a sign required under this section.] ←§~~

2350 Section 27. Section 32B-10-206 is amended to read: