	ALCOHOL AMENDMENTS
	2018 GENERAL SESSION
	STATE OF UTAH
	Chief Sponsor: Brad R. Wilson
	Senate Sponsor: Jerry W. Stevenson
LONG	TITLE
Genera	l Description:
ı	This bill modifies provisions related to the regulation of alcoholic beverages.
Highlig	hted Provisions:
1	Γhis bill:
	defines terms and modifies defined terms;
	clarifies the appropriate measurement point for determining proximity to a
commu	nity location;
	addresses the standard for demonstrating a previously approved variance for
purpose	s of proximity to a community location;
	requires electronic age verification of certain individuals who are within 10 feet of a
grandfa	thered bar structure;
	clarifies and amends labeling requirements for certain malted beverages;
	allows the Alcoholic Beverage Control Advisory Board to meet at the chair's
discreti	on;
	modifies the days on which certain package agencies located at a manufacturing
facility	may operate;
	modifies the circumstances under which a retail licensee shall submit a responsible



alcohol service plan to the department;

43

47

48 49

50

51

52

56

- amends the requirements related to when a retail manager or an off-premise retail
 manager must complete a department training program;
 - amends the requirements related to voting rights to obtain an equity license;
- 29 modifies the circumstances under which a person may hold two retail licenses for 30 the same premises or room;
- addresses the circumstances under which a hotel licensee or a resort licensee may
 have two sublicenses in the same room;
- allows a patron to transport beer between two adjacent licensed premises located in
 a sports facility;
- provides that a restaurant licensee may employ a minor who is atleast 18 years of age to bus tables;
- provides an exemption from certain dispensing area requirements for small restaurant licensees;
- repeals the requirement for restaurant licensees to display a sign stating the restaurant's license type;
- - increases the number of airport lounge licenses the commission may issue;
- provides that the Department of Alcoholic Beverage Control shall study issues
 related to the use of banquet catering contracts and report to the Business and Labor
 Interim Committee;
 - ► modifies the off-premise beer retailer state license fee for a person who operates an off-premise beer retailer on July 1, 2018;
 - extends the time for a business entity to transfer a retail license following a change in ownership;
 - modifies the operational requirements for a hotel license and for a sublicense related to calculating the percentage of gross receipts from the sale of food;
- 53 ► addresses the grades in which an LEA may offer the Underage Drinking Prevention
 54 Program to students; and
- ► makes technical and conforming changes.

Money Appropriated in this Bill:

5/	None
58	Other Special Clauses:
59	None
60	Utah Code Sections Affected:
61	AMENDS:
62	32B-1-102, as last amended by Laws of Utah 2017, Chapter 455
63	32B-1-202, as last amended by Laws of Utah 2017, Chapters 455, 471 and last
64	amended by Coordination Clause, Laws of Utah 2017, Chapter 471
65	32B-1-407, as last amended by Laws of Utah 2017, Chapter 455
66	32B-1-606, as last amended by Laws of Utah 2017, Chapter 455
67	32B-2-210, as last amended by Laws of Utah 2017, Chapter 455
68	32B-2-605, as last amended by Laws of Utah 2016, Chapter 80
69	32B-3-102, as last amended by Laws of Utah 2017, Chapter 455
70	32B-5-202, as last amended by Laws of Utah 2017, Chapter 455
71	32B-5-207, as enacted by Laws of Utah 2017, Chapter 455
72	32B-5-307, as last amended by Laws of Utah 2017, Chapter 455
73	32B-5-308, as last amended by Laws of Utah 2011, Chapter 307
74	32B-5-405, as enacted by Laws of Utah 2017, Chapter 455
75	32B-6-202, as last amended by Laws of Utah 2017, Chapter 455
76	32B-6-205, as last amended by Laws of Utah 2017, Chapter 455
77	32B-6-205.2, as enacted by Laws of Utah 2017, Chapter 455
78	32B-6-302, as last amended by Laws of Utah 2017, Chapter 455
79	32B-6-305, as last amended by Laws of Utah 2017, Chapter 455
80	32B-6-305.2, as enacted by Laws of Utah 2017, Chapter 455
81	32B-6-403, as last amended by Laws of Utah 2017, Chapter 455
82	32B-6-404, as last amended by Laws of Utah 2017, Chapter 455
83	32B-6-404.1, as enacted by Laws of Utah 2017, Chapter 455
84	32B-6-406, as last amended by Laws of Utah 2017, Chapter 455
85	32B-6-409, as enacted by Laws of Utah 2011, Chapter 334
86	32B-6-503, as last amended by Laws of Utah 2011, Chapter 334
87	32B-6-902, as last amended by Laws of Utah 2017, Chapter 455

```
88
              32B-6-905, as last amended by Laws of Utah 2017, Chapter 455
 89
              32B-6-905.1, as enacted by Laws of Utah 2017, Chapter 455
 90
              32B-7-202, as last amended by Laws of Utah 2017, Chapter 455
 91
              32B-7-401, as enacted by Laws of Utah 2017, Chapter 455
 92
              32B-8a-202, as last amended by Laws of Utah 2016, Chapter 82
              32B-8a-203, as last amended by Laws of Utah 2016, Chapter 82
 93
 94
              32B-8b-102, as last amended by Laws of Utah 2017, Chapter 455
 95
              32B-8b-301, as enacted by Laws of Utah 2016, Chapter 80
 96
              32B-8b-302, as enacted by Laws of Utah 2016, Chapter 80
              53F-9-304, as renumbered and amended by Laws of Utah 2018, Chapter 2
 97
 98
              53G-10-406, as renumbered and amended by Laws of Utah 2018, Chapter 3
 99
              62A-15-401, as last amended by Laws of Utah 2017, Chapter 455
100
              63I-2-232, as last amended by Laws of Utah 2017, Chapter 455
101
       ENACTS:
102
              32B-6-205.4, Utah Code Annotated 1953
103
              32B-6-305.4, Utah Code Annotated 1953
104
              32B-6-605.1, Utah Code Annotated 1953
105
              32B-6-905.3, Utah Code Annotated 1953
106
107
       Be it enacted by the Legislature of the state of Utah:
108
              Section 1. Section 32B-1-102 is amended to read:
              32B-1-102. Definitions.
109
110
              As used in this title:
111
              (1) "Airport lounge" means a business location:
              (a) at which an alcoholic product is sold at retail for consumption on the premises; and
112
113
              (b) that is located at an international airport with a United States Customs office on the
114
       premises of the international airport.
115
              (2) "Airport lounge license" means a license issued in accordance with Chapter 5.
116
       Retail License Act, and Chapter 6, Part 5, Airport Lounge License.
117
              (3) "Alcoholic beverage" means the following:
118
              (a) beer; or
```

119	(b) liquor.
120	(4) (a) "Alcoholic product" means a product that:
121	(i) contains at least .5% of alcohol by volume; and
122	(ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other
123	process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol
124	in an amount equal to or greater than .5% of alcohol by volume.
125	(b) "Alcoholic product" includes an alcoholic beverage.
126	(c) "Alcoholic product" does not include any of the following common items that
127	otherwise come within the definition of an alcoholic product:
128	(i) except as provided in Subsection (4)(d), an extract;
129	(ii) vinegar;
130	(iii) cider;
131	(iv) essence;
132	(v) tincture;
133	(vi) food preparation; or
134	(vii) an over-the-counter medicine.
135	(d) "Alcoholic product" includes an extract containing alcohol obtained by distillation
136	when it is used as a flavoring in the manufacturing of an alcoholic product.
137	(5) "Alcohol training and education seminar" means a seminar that is:
138	(a) required by Chapter 5, Part 4, Alcohol Training and Education Act; and
139	(b) described in Section 62A-15-401.
140	(6) "Banquet" means an event:
141	(a) that is held at one or more designated locations approved by the commission in or
142	on the premises of a:
143	(i) hotel;
144	(ii) resort facility;
145	(iii) sports center; or
146	(iv) convention center;
147	(b) for which there is a contract:
148	(i) between a person operating a facility listed in Subsection (6)(a) and another person;
149	and

150 (ii) under which the person operating a facility listed in Subsection (6)(a) is required to 151 provide an alcoholic product at the event; and (c) at which food and alcoholic products may be sold, offered for sale, or furnished. 152 (7) "Bar structure" means a surface or structure on a licensed premises if on or at any 153 154 place of the surface or structure an alcoholic product is: 155 (a) stored; or 156 (b) dispensed. (8) (a) "Bar establishment license" means a license issued in accordance with Chapter 157 158 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License. 159 (b) "Bar establishment license" includes: 160 (i) a dining club license; 161 (ii) an equity license; 162 (iii) a fraternal license; or (iv) a bar license. 163 (9) "Bar license" means a license issued in accordance with Chapter 5, Retail License 164 165 Act, and Chapter 6, Part 4, Bar Establishment License. 166 (10) (a) Subject to Subsection (10)(d), "beer" means a product that: (i) contains at least .5% of alcohol by volume, but not more than 4% of alcohol by 167 168 volume or 3.2% by weight; and (ii) is obtained by fermentation, infusion, or decoction of malted grain. 169 (b) "Beer" may or may not contain hops or other vegetable products. 170 171 (c) "Beer" includes a product that: 172 (i) contains alcohol in the percentages described in Subsection (10)(a); and (ii) is referred to as: 173 174 (A) beer; 175 (B) ale; 176 (C) porter; (D) stout: 177 178 (E) lager; or (F) a malt or malted beverage. 179 180 (d) "Beer" does not include a flavored malt beverage.

181	(11) "Beer-only restaurant license" means a license issued in accordance with Chapter
182	5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.
183	(12) "Beer retailer" means a business that:
184	(a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
185	for consumption on or off the business premises; and
186	(b) is licensed as:
187	(i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
188	Retailer Local Authority; or
189	(ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
190	Chapter 6, Part 7, On-Premise Beer Retailer License.
191	(13) "Beer wholesaling license" means a license:
192	(a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
193	(b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
194	retail licensees or off-premise beer retailers.
195	(14) "Billboard" means a public display used to advertise, including:
196	(a) a light device;
197	(b) a painting;
198	(c) a drawing;
199	(d) a poster;
200	(e) a sign;
201	(f) a signboard; or
202	(g) a scoreboard.
203	(15) "Brewer" means a person engaged in manufacturing:
204	(a) beer;
205	(b) heavy beer; or
206	(c) a flavored malt beverage.
207	(16) "Brewery manufacturing license" means a license issued in accordance with
208	Chapter 11, Part 5, Brewery Manufacturing License.
209	(17) "Certificate of approval" means a certificate of approval obtained from the
210	department under Section 32B-11-201.
211	(18) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by

212	a bus company to a group of persons pursuant to a common purpose:
213	(a) under a single contract;
214	(b) at a fixed charge in accordance with the bus company's tariff; and
215	(c) to give the group of persons the exclusive use of the passenger bus, coach, or other
216	motor vehicle, and a driver to travel together to one or more specified destinations.
217	(19) "Church" means a building:
218	(a) set apart for worship;
219	(b) in which religious services are held;
220	(c) with which clergy is associated; and
221	(d) that is tax exempt under the laws of this state.
222	(20) "Commission" means the Alcoholic Beverage Control Commission created in
223	Section 32B-2-201.
224	(21) "Commissioner" means a member of the commission.
225	(22) "Community location" means:
226	(a) a public or private school;
227	(b) a church;
228	(c) a public library;
229	(d) a public playground; or
230	(e) a public park.
231	(23) "Community location governing authority" means:
232	(a) the governing body of the community location; or
233	(b) if the commission does not know who is the governing body of a community
234	location, a person who appears to the commission to have been given on behalf of the
235	community location the authority to prohibit an activity at the community location.
236	(24) "Container" means a receptacle that contains an alcoholic product, including:
237	(a) a bottle;
238	(b) a vessel; or
239	(c) a similar item.
240	(25) "Convention center" means a facility that is:
241	(a) in total at least 30,000 square feet; and
242	(b) otherwise defined as a "convention center" by the commission by rule.

243	(26) (a) "Counter" means a surface or structure in a dining area of a licensed premises
244	where seating is provided to a patron for service of food.
245	(b) "Counter" does not include a dispensing structure.
246	(27) "Department" means the Department of Alcoholic Beverage Control created in
247	Section 32B-2-203.
248	(28) "Department compliance officer" means an individual who is:
249	(a) an auditor or inspector; and
250	(b) employed by the department.
251	(29) "Department sample" means liquor that is placed in the possession of the
252	department for testing, analysis, and sampling.
253	(30) "Dining club license" means a license issued in accordance with Chapter 5, Retail
254	License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
255	commission as a dining club license.
256	(31) "Director," unless the context requires otherwise, means the director of the
257	department.
258	(32) "Disciplinary proceeding" means an adjudicative proceeding permitted under this
259	title:
260	(a) against a person subject to administrative action; and
261	(b) that is brought on the basis of a violation of this title.
262	(33) (a) Subject to Subsection (33)(b), "dispense" means:
263	(i) drawing [of] an alcoholic product[:]; and
264	[(A) from an area where it is stored; or]
265	[(B) as provided in Subsection 32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii),
266	32B-6-805(15)(b)(ii), or 32B-6-905(12)(b)(ii); and]
267	(ii) using the alcoholic product [described in Subsection (33)(a)(i) on the premises of
268	the licensed premises] at the location from which it was drawn to mix or prepare an alcoholic
269	product to be furnished to a patron of the retail licensee.
270	(b) The definition of "dispense" in this Subsection (33) applies only to:
271	(i) a full-service restaurant license;
272	(ii) a limited-service restaurant license;
273	(iii) a reception center license; and

274	(iv) a beer-only restaurant license.
275	(34) "Dispensing structure" means a surface or structure on a licensed premises:
276	(a) where an alcoholic product is [stored or] dispensed; or
277	(b) from which an alcoholic product is served.
278	(35) "Distillery manufacturing license" means a license issued in accordance with
279	Chapter 11, Part 4, Distillery Manufacturing License.
280	(36) "Distressed merchandise" means an alcoholic product in the possession of the
281	department that is saleable, but for some reason is unappealing to the public.
282	(37) "Educational facility" includes:
283	(a) a nursery school;
284	(b) an infant day care center; and
285	(c) a trade and technical school.
286	(38) "Equity license" means a license issued in accordance with Chapter 5, Retail
287	License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
288	commission as an equity license.
289	(39) "Event permit" means:
290	(a) a single event permit; or
291	(b) a temporary beer event permit.
292	(40) "Exempt license" means a license exempt under Section 32B-1-201 from being
293	considered in determining the total number of retail licenses that the commission may issue at
294	any time.
295	(41) (a) "Flavored malt beverage" means a beverage:
296	(i) that contains at least .5% alcohol by volume;
297	(ii) that is treated by processing, filtration, or another method of manufacture that is not
298	generally recognized as a traditional process in the production of a beer as described in 27
299	C.F.R. Sec. 25.55;
300	(iii) to which is added a flavor or other ingredient containing alcohol, except for a hop
301	extract; and
302	(iv) (A) for which the producer is required to file a formula for approval with the
303	federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or
304	(B) that is not exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55.

305	(b) "Flavored malt beverage" is considered liquor for purposes of this title.
306	(42) "Fraternal license" means a license issued in accordance with Chapter 5, Retail
307	License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
308	commission as a fraternal license.
309	(43) "Full-service restaurant license" means a license issued in accordance with
310	Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.
311	(44) (a) "Furnish" means by any means to provide with, supply, or give an individual
312	an alcoholic product, by sale or otherwise.
313	(b) "Furnish" includes to:
314	(i) serve;
315	(ii) deliver; or
316	(iii) otherwise make available.
317	(45) "Guest" means an individual who meets the requirements of Subsection
318	32B-6-407(9).
319	(46) "Health care practitioner" means:
320	(a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;
321	(b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;
322	(c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;
323	(d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice
324	Act;
325	(e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,
326	Nurse Practice Act;
327	(f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
328	Practice Act;
329	(g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
330	Therapy Practice Act;
331	(h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;
332	(i) a mental health professional licensed under Title 58, Chapter 60, Mental Health
333	Professional Practice Act;
334	(j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
335	(k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical

336	Practice Act;
337	(l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
338	Hygienist Practice Act; and
339	(m) a physician assistant licensed under Title 58, Chapter 70a, Physician Assistant Act.
340	(47) (a) "Heavy beer" means a product that:
341	(i) contains more than 4% alcohol by volume; and
342	(ii) is obtained by fermentation, infusion, or decoction of malted grain.
343	(b) "Heavy beer" is considered liquor for the purposes of this title.
344	(48) "Hotel" is as defined by the commission by rule.
345	(49) "Hotel license" means a license issued in accordance with Chapter 5, Retail
346	License Act, and Chapter 8b, Hotel License Act.
347	(50) "Identification card" means an identification card issued under Title 53, Chapter 3,
348	Part 8, Identification Card Act.
349	(51) "Industry representative" means an individual who is compensated by salary,
350	commission, or other means for representing and selling an alcoholic product of a
351	manufacturer, supplier, or importer of liquor.
352	(52) "Industry representative sample" means liquor that is placed in the possession of
353	the department for testing, analysis, and sampling by a local industry representative on the
354	premises of the department to educate the local industry representative of the quality and
355	characteristics of the product.
356	(53) "Interdicted person" means a person to whom the sale, offer for sale, or furnishing
357	of an alcoholic product is prohibited by:
358	(a) law; or
359	(b) court order.
360	(54) "Intoxicated" means that a person:
361	(a) is significantly impaired as to the person's mental or physical functions as a result of
362	the use of:
363	(i) an alcoholic product;
364	(ii) a controlled substance;
365	(iii) a substance having the property of releasing toxic vapors; or
366	(iv) a combination of Subsections (54)(a)(i) through (iii); and

367	(b) exhibits plain and easily observed outward manifestations of behavior or physical
368	signs produced by the overconsumption of an alcoholic product.
369	(55) "Investigator" means an individual who is:
370	(a) a department compliance officer; or
371	(b) a nondepartment enforcement officer.
372	(56) "Invitee" means the same as that term is defined in Section 32B-8-102.
373	(57) "License" means:
374	(a) a retail license;
375	(b) a license issued in accordance with Chapter 11, Manufacturing and Related
376	Licenses Act;
377	(c) a license issued in accordance with Chapter 12, Liquor Warehousing License Act;
378	or
379	(d) a license issued in accordance with Chapter 13, Beer Wholesaling License Act.
380	(58) "Licensee" means a person who holds a license.
381	(59) "Limited-service restaurant license" means a license issued in accordance with
382	Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.
383	(60) "Limousine" means a motor vehicle licensed by the state or a local authority, other
384	than a bus or taxicab:
385	(a) in which the driver and a passenger are separated by a partition, glass, or other
386	barrier;
387	(b) that is provided by a business entity to one or more individuals at a fixed charge in
388	accordance with the business entity's tariff; and
389	(c) to give the one or more individuals the exclusive use of the limousine and a driver
390	to travel to one or more specified destinations.
391	(61) (a) (i) "Liquor" means a liquid that:
392	(A) is:
393	(I) alcohol;
394	(II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;
395	(III) a combination of liquids a part of which is spirituous, vinous, or fermented; or
396	(IV) other drink or drinkable liquid; and
397	(B) (I) contains at least .5% alcohol by volume; and

398	(II) is suitable to use for beverage purposes.
399	(ii) "Liquor" includes:
400	(A) heavy beer;
401	(B) wine; and
402	(C) a flavored malt beverage.
403	(b) "Liquor" does not include beer.
404	(62) "Liquor Control Fund" means the enterprise fund created by Section 32B-2-301.
405	(63) "Liquor warehousing license" means a license that is issued:
406	(a) in accordance with Chapter 12, Liquor Warehousing License Act; and
407	(b) to a person, other than a licensed manufacturer, who engages in the importation for
408	storage, sale, or distribution of liquor regardless of amount.
409	(64) "Local authority" means:
410	(a) for premises that are located in an unincorporated area of a county, the governing
411	body of a county; or
412	(b) for premises that are located in an incorporated city, town, or metro township, the
413	governing body of the city, town, or metro township.
414	(65) "Lounge or bar area" is as defined by rule made by the commission.
415	(66) "Manufacture" means to distill, brew, rectify, mix, compound, process, ferment, or
416	otherwise make an alcoholic product for personal use or for sale or distribution to others.
417	(67) "Member" means an individual who, after paying regular dues, has full privileges
418	in an equity licensee or fraternal licensee.
419	(68) (a) "Military installation" means a base, air field, camp, post, station, yard, center,
420	or homeport facility for a ship:
421	(i) (A) under the control of the United States Department of Defense; or
422	(B) of the National Guard;
423	(ii) that is located within the state; and
424	(iii) including a leased facility.
425	(b) "Military installation" does not include a facility used primarily for:
426	(i) civil works;
427	(ii) a rivers and harbors project; or
428	(iii) a flood control project.

429	(69) Millior means an individual under the age of 21 years.
430	(70) "Nondepartment enforcement agency" means an agency that:
431	(a) (i) is a state agency other than the department; or
432	(ii) is an agency of a county, city, town, or metro township; and
433	(b) has a responsibility to enforce one or more provisions of this title.
434	(71) "Nondepartment enforcement officer" means an individual who is:
435	(a) a peace officer, examiner, or investigator; and
436	(b) employed by a nondepartment enforcement agency.
437	(72) (a) "Off-premise beer retailer" means a beer retailer who is:
438	(i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and
439	(ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
440	premises.
441	(b) "Off-premise beer retailer" does not include an on-premise beer retailer.
442	(73) "Off-premise beer retailer state license" means a state license issued in accordance
443	with Chapter 7, Part 4, Off-Premise Beer Retailer State License.
444	(74) "On-premise banquet license" means a license issued in accordance with Chapter
445	5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.
446	(75) "On-premise beer retailer" means a beer retailer who is:
447	(a) authorized to sell, offer for sale, or furnish beer under a license issued in
448	accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer
449	Retailer License; and
450	(b) engaged in the sale of beer to a patron for consumption on the beer retailer's
451	premises:
452	(i) regardless of whether the beer retailer sells beer for consumption off the licensed
453	premises; and
454	(ii) on and after March 1, 2012, operating:
455	(A) as a tavern; or
456	(B) in a manner that meets the requirements of Subsection 32B-6-703(2)(e)(i).
457	(76) "Opaque" means impenetrable to sight.
458	(77) "Package agency" means a retail liquor location operated:
459	(a) under an agreement with the department; and

460	(b) by a person:
461	(i) other than the state; and
462	(ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package
463	Agency, to sell packaged liquor for consumption off the premises of the package agency.
464	(78) "Package agent" means a person who holds a package agency.
465	(79) "Patron" means an individual to whom food, beverages, or services are sold,
466	offered for sale, or furnished, or who consumes an alcoholic product including:
467	(a) a customer;
468	(b) a member;
469	(c) a guest;
470	(d) an attendee of a banquet or event;
471	(e) an individual who receives room service;
472	(f) a resident of a resort;
473	(g) a public customer under a resort spa sublicense, as defined in Section 32B-8-102;
474	or
475	(h) an invitee.
476	(80) "Permittee" means a person issued a permit under:
477	(a) Chapter 9, Event Permit Act; or
478	(b) Chapter 10, Special Use Permit Act.
479	(81) "Person subject to administrative action" means:
480	(a) a licensee;
481	(b) a permittee;
482	(c) a manufacturer;
483	(d) a supplier;
484	(e) an importer;
485	(f) one of the following holding a certificate of approval:
486	(i) an out-of-state brewer;
487	(ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
488	(iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or
489	(g) staff of:
490	(i) a person listed in Subsections (81)(a) through (f); or

491	(ii) a package agent.
492	(82) "Premises" means a building, enclosure, or room used in connection with the
493	storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic product,
494	unless otherwise defined in this title or rules made by the commission.
495	(83) "Prescription" means an order issued by a health care practitioner when:
496	(a) the health care practitioner is licensed under Title 58, Occupations and Professions,
497	to prescribe a controlled substance, other drug, or device for medicinal purposes;
498	(b) the order is made in the course of that health care practitioner's professional
499	practice; and
500	(c) the order is made for obtaining an alcoholic product for medicinal purposes only.
501	(84) (a) "Private event" means a specific social, business, or recreational event:
502	(i) for which an entire room, area, or hall is leased or rented in advance by an identified
503	group; and
504	(ii) that is limited in attendance to people who are specifically designated and their
505	guests.
506	(b) "Private event" does not include an event to which the general public is invited,
507	whether for an admission fee or not.
508	(85) (a) "Proof of age" means:
509	(i) an identification card;
510	(ii) an identification that:
511	(A) is substantially similar to an identification card;
512	(B) is issued in accordance with the laws of a state other than Utah in which the
513	identification is issued;
514	(C) includes date of birth; and
515	(D) has a picture affixed;
516	(iii) a valid driver license certificate that:
517	(A) includes date of birth;
518	(B) has a picture affixed; and
519	(C) is issued:
520	(I) under Title 53, Chapter 3, Uniform Driver License Act; or
521	(II) in accordance with the laws of the state in which it is issued;

322	(iv) a minuary identification card that:
523	(A) includes date of birth; and
524	(B) has a picture affixed; or
525	(v) a valid passport.
526	(b) "Proof of age" does not include a driving privilege card issued in accordance with
527	Section 53-3-207.
528	(86) (a) "Public building" means a building or permanent structure that is:
529	(i) owned or leased by:
530	(A) the state; or
531	(B) a local government entity; and
532	(ii) used for:
533	(A) public education;
534	(B) transacting public business; or
535	(C) regularly conducting government activities.
536	(b) "Public building" does not include a building owned by the state or a local
537	government entity when the building is used by a person, in whole or in part, for a proprietary
538	function.
539	(87) "Public conveyance" means a conveyance that the public or a portion of the public
540	has access to and a right to use for transportation, including an airline, railroad, bus, boat, or
541	other public conveyance.
542	(88) "Reception center" means a business that:
543	(a) operates facilities that are at least 5,000 square feet; and
544	(b) has as its primary purpose the leasing of the facilities described in Subsection
545	(88)(a) to a third party for the third party's event.
546	(89) "Reception center license" means a license issued in accordance with Chapter 5,
547	Retail License Act, and Chapter 6, Part 8, Reception Center License.
548	(90) (a) "Record" means information that is:
549	(i) inscribed on a tangible medium; or
550	(ii) stored in an electronic or other medium and is retrievable in a perceivable form.
551	(b) "Record" includes:
552	(i) a book;

553	(11) a book of account;
554	(iii) a paper;
555	(iv) a contract;
556	(v) an agreement;
557	(vi) a document; or
558	(vii) a recording in any medium.
559	(91) "Residence" means a person's principal place of abode within Utah.
560	(92) "Resident," in relation to a resort, means the same as that term is defined in
561	Section 32B-8-102.
562	(93) "Resort" means the same as that term is defined in Section 32B-8-102.
563	(94) "Resort facility" is as defined by the commission by rule.
564	(95) "Resort license" means a license issued in accordance with Chapter 5, Retail
565	License Act, and Chapter 8, Resort License Act.
566	(96) "Responsible alcohol service plan" means a written set of policies and procedures
567	that outlines measures to prevent employees from:
568	(a) over-serving alcoholic beverages to customers;
569	(b) serving alcoholic beverages to customers who are actually, apparently, or obviously
570	intoxicated; and
571	(c) serving alcoholic beverages to minors.
572	(97) "Restaurant" means a business location:
573	(a) at which a variety of foods are prepared;
574	(b) at which complete meals are served [to the general public]; and
575	(c) that is engaged primarily in serving meals [to the general public].
576	(98) "Retail license" means one of the following licenses issued under this title:
577	(a) a full-service restaurant license;
578	(b) a master full-service restaurant license;
579	(c) a limited-service restaurant license;
580	(d) a master limited-service restaurant license;
581	(e) a bar establishment license;
582	(f) an airport lounge license;
583	(g) an on-premise banquet license;

584	(h) an on-premise beer license;
585	(i) a reception center license;
586	(j) a beer-only restaurant license;
587	(k) a resort license; or
588	(l) a hotel license.
589	(99) "Room service" means furnishing an alcoholic product to a person in a guest room
590	of a:
591	(a) hotel; or
592	(b) resort facility.
593	(100) (a) "School" means a building used primarily for the general education of minors.
594	(b) "School" does not include an educational facility.
595	(101) "Sell" or "offer for sale" means a transaction, exchange, or barter whereby, for
596	consideration, an alcoholic product is either directly or indirectly transferred, solicited, ordered,
597	delivered for value, or by a means or under a pretext is promised or obtained, whether done by
598	a person as a principal, proprietor, or as staff, unless otherwise defined in this title or the rules
599	made by the commission.
600	(102) "Serve" means to place an alcoholic product before an individual.
601	(103) "Sexually oriented entertainer" means a person who while in a state of
602	seminudity appears at or performs:
603	(a) for the entertainment of one or more patrons;
604	(b) on the premises of:
605	(i) a bar licensee; or
606	(ii) a tavern;
607	(c) on behalf of or at the request of the licensee described in Subsection (103)(b);
608	(d) on a contractual or voluntary basis; and
609	(e) whether or not the person is designated as:
610	(i) an employee;
611	(ii) an independent contractor;
612	(iii) an agent of the licensee; or
613	(iv) a different type of classification.
614	(104) "Single event permit" means a permit issued in accordance with Chapter 9, Part

615	3, Single Event Permit.
616	(105) "Small brewer" means a brewer who manufactures less than 60,000 barrels of
617	beer, heavy beer, and flavored malt beverages per year.
618	(106) "Special use permit" means a permit issued in accordance with Chapter 10,
619	Special Use Permit Act.
620	(107) (a) "Spirituous liquor" means liquor that is distilled.
621	(b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
622	27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.
623	(108) "Sports center" is as defined by the commission by rule.
624	(109) (a) "Staff" means an individual who engages in activity governed by this title:
625	(i) on behalf of a business, including a package agent, licensee, permittee, or certificate
626	holder;
627	(ii) at the request of the business, including a package agent, licensee, permittee, or
628	certificate holder; or
629	(iii) under the authority of the business, including a package agent, licensee, permittee,
630	or certificate holder.
631	(b) "Staff" includes:
632	(i) an officer;
633	(ii) a director;
634	(iii) an employee;
635	(iv) personnel management;
636	(v) an agent of the licensee, including a managing agent;
637	(vi) an operator; or
638	(vii) a representative.
639	(110) "State of nudity" means:
640	(a) the appearance of:
641	(i) the nipple or areola of a female human breast;
642	(ii) a human genital;
643	(iii) a human pubic area; or
644	(iv) a human anus; or
645	(b) a state of dress that fails to opaquely cover:

040	(1) the hippie of areola of a female numan breast,
647	(ii) a human genital;
648	(iii) a human pubic area; or
649	(iv) a human anus.
650	(111) "State of seminudity" means a state of dress in which opaque clothing covers no
651	more than:
652	(a) the nipple and areola of the female human breast in a shape and color other than the
653	natural shape and color of the nipple and areola; and
654	(b) the human genitals, pubic area, and anus:
655	(i) with no less than the following at its widest point:
656	(A) four inches coverage width in the front of the human body; and
657	(B) five inches coverage width in the back of the human body; and
658	(ii) with coverage that does not taper to less than one inch wide at the narrowest point.
659	(112) (a) "State store" means a facility for the sale of packaged liquor:
660	(i) located on premises owned or leased by the state; and
661	(ii) operated by a state employee.
662	(b) "State store" does not include:
663	(i) a package agency;
664	(ii) a licensee; or
665	(iii) a permittee.
666	(113) (a) "Storage area" means an area on licensed premises where the licensee stores
667	an alcoholic product.
668	(b) "Store" means to place or maintain in a location an alcoholic product [from which a
669	person draws to prepare an alcoholic product to be furnished to a patron, except as provided in
670	Subsection 32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii), 32B-6-805(15)(b)(ii), or
671	32B-6-905(12)(b)(ii)].
672	(114) "Sublicense" means the same as that term is defined in Section 32B-8-102 or
673	32B-8b-102.
674	(115) "Supplier" means a person who sells an alcoholic product to the department.
675	(116) "Tavern" means an on-premise beer retailer who is:
676	(a) issued a license by the commission in accordance with Chapter 5, Retail License

0//	Act, and Chapter 6, Part 7, On-Premise Beer Retailer License; and
678	(b) designated by the commission as a tavern in accordance with Chapter 6, Part 7,
679	On-Premise Beer Retailer License.
680	(117) "Temporary beer event permit" means a permit issued in accordance with
681	Chapter 9, Part 4, Temporary Beer Event Permit.
682	(118) "Temporary domicile" means the principal place of abode within Utah of a
683	person who does not have a present intention to continue residency within Utah permanently o
684	indefinitely.
685	(119) "Translucent" means a substance that allows light to pass through, but does not
686	allow an object or person to be seen through the substance.
687	(120) "Unsaleable liquor merchandise" means a container that:
688	(a) is unsaleable because the container is:
689	(i) unlabeled;
690	(ii) leaky;
691	(iii) damaged;
692	(iv) difficult to open; or
693	(v) partly filled;
694	(b) (i) has faded labels or defective caps or corks;
695	(ii) has contents that are:
696	(A) cloudy;
697	(B) spoiled; or
698	(C) chemically determined to be impure; or
699	(iii) contains:
700	(A) sediment; or
701	(B) a foreign substance; or
702	(c) is otherwise considered by the department as unfit for sale.
703	(121) (a) "Wine" means an alcoholic product obtained by the fermentation of the
704	natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or not
705	another ingredient is added.
706	(b) "Wine" is considered liquor for purposes of this title, except as otherwise provided
707	in this title

708	(122) "Winery manufacturing license" means a license issued in accordance with
709	Chapter 11, Part 3, Winery Manufacturing License.
710	Section 2. Section 32B-1-202 is amended to read:
711	32B-1-202. Proximity to community location.
712	(1) As used in this section:
713	(a) (i) "Outlet" means:
714	(A) a state store;
715	(B) a package agency; or
716	(C) a retail licensee.
717	(ii) "Outlet" does not include:
718	(A) an airport lounge licensee; or
719	(B) a restaurant.
720	(b) "Restaurant" means:
721	(i) a full-service restaurant licensee;
722	(ii) a limited-service restaurant licensee; or
723	(iii) a beer-only restaurant licensee.
724	(2) (a) The commission may not issue a license for an outlet if, on the date the
725	commission takes final action to approve or deny the application, there is a community
726	location:
727	(i) within 600 feet of the proposed outlet, as measured from the nearest <u>patron</u> entrance
728	of the proposed outlet by following the shortest route of ordinary pedestrian travel to the
729	property boundary of the community location; or
730	(ii) within 200 feet of the proposed outlet, measured in a straight line from the nearest
731	patron entrance of the proposed outlet to the nearest property boundary of the community
732	location.
733	(b) The commission may not issue a license for a restaurant if, on the date the
734	commission takes final action to approve or deny the application, there is a community
735	location:
736	(i) within 300 feet of the proposed restaurant, as measured from the nearest patron
737	entrance of the proposed restaurant by following the shortest route of ordinary pedestrian travel
738	to the property boundary of the community location; or

(ii) within 200 feet of the proposed restaurant, measured in a straight line from the
nearest <u>patron</u> entrance of the proposed restaurant to the nearest property boundary of the
community location.

- (3) (a) For an outlet or a restaurant that holds a license on May 9, 2017, and operates under a previously approved variance to one or more proximity requirements in effect before May 9, 2017, subject to the other provisions of this title, that outlet or restaurant, or another outlet or restaurant with the same type of license as that outlet or restaurant, may operate under the previously approved variance regardless of whether:
 - [(a)] (i) the outlet or restaurant changes ownership;
 - [(b)] (ii) the property on which the outlet or restaurant is located changes ownership; or
- [(e)] (iii) there is a lapse in the use of the property as an outlet or a restaurant with the same type of license, unless during the lapse, the property is used for a different purpose.
- (b) An outlet or a restaurant that has continuously operated at a location since before January 1, 2007, is considered to have a previously approved variance.
- (4) (a) If, after an outlet or a restaurant obtains a license under this title, a person establishes a community location on a property that puts the outlet or restaurant in violation of the proximity requirements in effect at the time the license is issued or a previously approved variance described in Subsection (3), subject to the other provisions of this title, that outlet or restaurant, or an outlet or a restaurant with the same type of license as that outlet or restaurant, may operate at the premises regardless of whether:
 - (i) the outlet or restaurant changes ownership;
 - (ii) the property on which the outlet or restaurant is located changes ownership; or
- (iii) there is a lapse in the use of the property as an outlet or a restaurant with the same type of license, unless during the lapse the property is used for a different purpose.
- (b) The provisions of this Subsection (4) apply regardless of when the outlet's or restaurant's license is issued.
- (5) Nothing in this section prevents the commission from considering the proximity of an educational, religious, and recreational facility, or any other relevant factor in reaching a decision on a proposed location of an outlet.
 - Section 3. Section **32B-1-407** is amended to read:
- 769 32B-1-407. Verification of proof of age by applicable licensees.

770	(1) As used in this section, "applicable licensee" means:
771	(a) a dining club;
772	(b) a bar;
773	(c) a tavern;
774	(d) a full-service restaurant;
775	(e) a limited-service restaurant; or
776	(f) a beer-only restaurant.
777	(2) Notwithstanding any other provision of this part, an applicable licensee shall
778	require that an authorized person for the applicable licensee verify proof of age as provided in
779	this section.
780	(3) An authorized person is required to verify proof of age under this section before an
781	individual who appears to be 35 years of age or younger:
782	(a) gains admittance to the premises of a bar licensee or tavern;
783	(b) procures an alcoholic product on the premises of a dining club licensee; [or]
784	(c) procures an alcoholic product in a dispensing area in the premises of a full-service
785	restaurant licensee, a limited-service restaurant licensee, or a beer-only restaurant licensee[-]; or
786	(d) on or after July 1, 2018, procures an alcoholic product within 10 feet of a
787	grandfathered bar structure.
788	(4) To comply with Subsection (3), an authorized person shall:
789	(a) request the individual present proof of age; and
790	(b) (i) verify the validity of the proof of age electronically under the verification
791	program created in Subsection (5); or
792	(ii) if the proof of age cannot be electronically verified as provided in Subsection
793	(4)(b)(i), request that the individual comply with a process established by the commission by
794	rule.
795	(5) The commission shall establish by rule an electronic verification program that
796	includes the following:
797	(a) the specifications for the technology used by the applicable licensee to
798	electronically verify proof of age, including that the technology display to the person described
799	in Subsection (2) no more than the following for the individual who presents the proof of age:
800	(i) the name;

801	(ii) the age;
802	(iii) the number assigned to the individual's proof of age by the issuing authority;
803	(iv) the birth date;
804	(v) the gender; and
805	(vi) the status and expiration date of the individual's proof of age; and
806	(b) the security measures that shall be used by an applicable licensee to ensure that
807	information obtained under this section is:
808	(i) used by the applicable licensee only for purposes of verifying proof of age in
809	accordance with this section; and
810	(ii) retained by the applicable licensee for seven days after the day on which the
811	applicable licensee obtains the information.
812	(6) (a) An applicable licensee may not disclose information obtained under this section
813	except as provided under this title.
814	(b) Information obtained under this section is considered a record for any purpose
815	under Chapter 5, Part 3, Retail Licensee Operational Requirements.
816	Section 4. Section 32B-1-606 is amended to read:
817	32B-1-606. Special procedure for certain malted beverages.
818	(1) A manufacturer of a malted beverage may not distribute or sell the malted beverage
819	in the state until the day on which the manufacturer receives approval of the labeling and
820	packaging from the department in accordance with:
821	(a) Sections 32B-1-604 and 32B-1-605; and
822	(b) this section, if the malted beverage is labeled or packaged in a manner that is:
823	(i) similar to a label or packaging used for a nonalcoholic beverage; or
824	(ii) likely to confuse or mislead a patron to believe the malted beverage is a
825	nonalcoholic beverage.
826	(2) The department may not approve the labeling and packaging of a malted beverage
827	described in Subsection (1) unless in addition to the requirements of Section 32B-1-604 the
828	labeling and packaging complies with the following:
829	(a) the front of the label on the malted beverage bears a prominently displayed label or
830	a firmly affixed sticker that provides the following information in a font that measures at least
831	three millimeters high:

832	(i) the statement:
833	(A) "alcoholic beverage"; or
834	(B) "contains alcohol"; and
835	(ii) the alcohol content of the [flavored malt] malted beverage[;], if the alcohol content
836	is not otherwise provided:
837	(A) in a serving facts statement on the container; and
838	(B) in a format allowed by the Federal Alcohol and Tobacco Tax Trade Bureau;
839	(b) [the front of] the packaging of the malted beverage prominently includes, either
840	imprinted on the packaging or imprinted on a sticker firmly affixed to the packaging in a font
841	that measures at least three millimeters high, the statement:
842	(i) "alcoholic beverage"; or
843	(ii) "contains alcohol";
844	(c) a statement required by Subsection (2)(a) or (b) appears in a format required by rule
845	made by the commission; and
846	(d) a statement of alcohol content required by Subsection (2)(a)(ii):
847	(i) states the alcohol content as a percentage of alcohol by volume or by weight; and
848	(ii) is in a format required by rule made by the commission.
849	(3) The department may reject a label or packaging that appears designed to obscure
850	the information required by Subsection (2).
851	(4) To determine whether a malted beverage is described in Subsection (1) and subject
852	to this section, the department may consider in addition to other factors one or more of the
853	following factors:
854	(a) whether the coloring, carbonation, and packaging of the malted beverage:
855	(i) is similar to those of a nonalcoholic beverage or product; or
856	(ii) can be confused with a nonalcoholic beverage;
857	(b) whether the malted beverage possesses a character and flavor distinctive from a
858	traditional malted beverage;
859	(c) whether the malted beverage:
860	(i) is prepackaged;
861	(ii) contains high levels of caffeine and other additives; and
862	(iii) is marketed as a beverage that is specifically designed to provide energy;

863	(d) whether the malted beverage contains added sweetener or sugar substitutes; or
864	(e) whether the malted beverage contains an added fruit flavor or other flavor that
865	masks the taste of a traditional malted beverage.
866	Section 5. Section 32B-2-210 is amended to read:
867	32B-2-210. Alcoholic Beverage Control Advisory Board.
868	(1) There is created within the department an advisory board known as the "Alcoholic
869	Beverage Control Advisory Board."
870	(2) The advisory board shall consist of eight voting members and one nonvoting
871	member as follows:
872	(a) four voting members appointed by the commission:
873	(i) one of whom represents the retail alcohol industry;
874	(ii) one of whom represents the wholesale alcohol industry;
875	(iii) one of whom represents the alcohol manufacturing industry; and
876	(iv) one of whom represents the restaurant industry;
877	(b) two voting members appointed by the commission, each of whom represents an
878	organization that addresses alcohol or drug abuse prevention, alcohol or drug related
879	enforcement, or alcohol or drug related education;
880	(c) the director of the Division of Substance Abuse and Mental Health or the director's
881	designee who serves as a voting member;
882	(d) the chair of the Utah Substance Use and Mental Health Advisory Council, or the
883	chair's designee, who serves as a voting member; and
884	(e) the chair of the commission or the chair's designee from the members of the
885	commission, who serves as a nonvoting member.
886	(3) (a) Except as required by Subsection (3)(b), as terms of current voting members of
887	the advisory board expire, the commission shall appoint each new member or reappointed
888	member to a four-year term beginning July 1 and ending June 30.
889	(b) Notwithstanding the requirements of Subsection (3)(a), the commission shall, at the
890	time of appointment or reappointment, adjust the length of terms to ensure that the terms of
891	voting advisory board members are staggered so that approximately half of the advisory board
892	is appointed every two years.
893	(c) No two members of the board may be employed by the same company or nonprofit

004	• ,•
894	organization

896

897

898

899

900

901

902

903

904

905

906

907908

909

910

913

914

915

916

917

918

919

920

921

922

923

924

- (4) (a) When a vacancy occurs in the membership for any reason, the commission shall appoint a replacement for the unexpired term.
- (b) The commission shall terminate the term of a voting advisory board member who ceases to be representative as designated by the member's original appointment.
- (5) The advisory board shall meet [no more than quarterly] as called by the chair for the purpose of advising the commission and the department, with discussion limited to administrative rules made under this title.
- (6) The chair of the commission or the chair's designee shall serve as the chair of the advisory board and call the necessary meetings.
 - (7) (a) Five members of the board constitute a quorum of the board.
 - (b) An action of the majority when a quorum is present is the action of the board.
 - (8) The department shall provide staff support to the advisory board.
- (9) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:
 - (a) Section 63A-3-106;
- (b) Section 63A-3-107; and
- 911 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 912 63A-3-107.
 - Section 6. Section **32B-2-605** is amended to read:

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

- (1) (a) A person may not operate a package agency until a package agency agreement is entered into by the package agent and the department.
- (b) A package agency agreement shall state the conditions of operation by which the package agent and the department are bound.
- (c) (i) If a package agent or staff of the package agent violates this title, rules under this title, or the package agency agreement, the department may take any action against the package agent that is allowed by the package agency agreement.
- (ii) An action against a package agent is governed solely by its package agency agreement and may include suspension or revocation of the package agency.
 - (iii) A package agency agreement shall provide procedures to be followed if a package

925	agent fails to pay money owed to the department including a procedure for replacing the
926	package agent or operator of the package agency.
927	(iv) A package agency agreement shall provide that the package agency is subject

- (iv) A package agency agreement shall provide that the package agency is subject to covert investigations for selling an alcoholic product to a minor.
- (v) Notwithstanding that this part refers to "package agency" or "package agent," staff of the package agency or package agent is subject to the same requirement or prohibition.
 - (2) (a) A package agency shall be operated by an individual who is either:
- 932 (i) the package agent; or

929

930

931

933

935

940

941

942

943

944

945

946

947

948

949

950

951

952

953

- (ii) an individual designated by the package agent.
- 934 (b) An individual who is a designee under this Subsection (2) shall be:
 - (i) an employee of the package agent; and
- 936 (ii) responsible for the operation of the package agency.
- 937 (c) The conduct of the designee is attributable to the package agent.
- 938 (d) A package agent shall submit the name of the person operating the package agency 939 to the department for the department's approval.
 - (e) A package agent shall state the name and title of a designee on the application for a package agency.
 - (f) A package agent shall:
 - (i) inform the department of a proposed change in the individual designated to operate a package agency; and
 - (ii) receive prior approval from the department before implementing the change described in this Subsection (2)(f).
 - (g) Failure to comply with the requirements of this Subsection (2) may result in the immediate termination of a package agency agreement.
 - (3) (a) A package agent shall display in a prominent place in the package agency the record issued by the commission that designates the package agency.
 - (b) A package agent that displays or stores liquor at a location visible to the public shall display in a prominent place in the package agency a sign in large letters that consists of text in the following order:
 - (i) a header that reads: "WARNING";
- 955 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy

962

963

964

965

966

967

968

969

970

971

972

973

974

975

976

977

978

979

- can cause birth defects and permanent brain damage for the child.";
- 957 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at 958 [insert most current toll-free number] with questions or for more information.";
 - (iv) a header that reads: "WARNING"; and
- 960 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a 961 serious crime that is prosecuted aggressively in Utah."
 - (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different font style than the text described in Subsections (3)(b)(iv) and (v).
 - (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the same font size.
 - (d) The Department of Health shall work with the commission and department to facilitate consistency in the format of a sign required under this section.
 - (4) A package agency may not display liquor or a price list in a window or showcase that is visible to passersby.
 - (5) (a) A package agency may not purchase liquor from a person except from the department.
 - (b) At the discretion of the department, liquor may be provided by the department to a package agency for sale on consignment.
 - (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place other than as designated in the package agent's application, unless the package agent first applies for and receives approval from the department for a change of location within the package agency premises.
 - (7) A package agency may not sell, offer for sale, or furnish liquor except at a price fixed by the commission.
 - (8) A package agency may not sell, offer for sale, or furnish liquor to:
- 981 (a) a minor;
- 982 (b) a person actually, apparently, or obviously intoxicated;
- 983 (c) a known interdicted person; or
- 984 (d) a known habitual drunkard.
- 985 (9) (a) A package agency may not employ a minor to handle liquor.
- 986 (b) (i) Staff of a package agency may not:

1017

person, whether for monetary gain or not.

987	(A) consume an alcoholic product on the premises of a package agency; or
988	(B) allow any person to consume an alcoholic product on the premises of a package
989	agency.
990	(ii) Violation of this Subsection (9)(b) is a class B misdemeanor.
991	(10) (a) A package agency may not close or cease operation for a period longer than 72
992	hours, unless:
993	(i) the package agency notifies the department in writing at least seven days before the
994	closing; and
995	(ii) the closure or cessation of operation is first approved by the department.
996	(b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
997	agency shall immediately notify the department by telephone.
998	(c) (i) The department may authorize a closure or cessation of operation for a period
999	not to exceed 60 days.
1000	(ii) The department may extend the initial period an additional 30 days upon written
1001	request of the package agency and upon a showing of good cause.
1002	(iii) A closure or cessation of operation may not exceed a total of 90 days without
1003	commission approval.
1004	(d) The notice required by Subsection (10)(a) shall include:
1005	(i) the dates of closure or cessation of operation;
1006	(ii) the reason for the closure or cessation of operation; and
1007	(iii) the date on which the package agency will reopen or resume operation.
1008	(e) Failure of a package agency to provide notice and to obtain department
1009	authorization before closure or cessation of operation results in an automatic termination of the
1010	package agency agreement effective immediately.
1011	(f) Failure of a package agency to reopen or resume operation by the approved date
1012	results in an automatic termination of the package agency agreement effective on that date.
1013	(11) A package agency may not transfer its operations from one location to another
1014	location without prior written approval of the commission.
1015	(12) (a) A person, having been issued a package agency, may not sell, transfer, assign,
1016	exchange, barter, give, or attempt in any way to dispose of the package agency to another

1018	(b) A package agency has no monetary value for any type of disposition.
1019	(13) (a) Subject to the other provisions of this Subsection (13):
1020	(i) sale or delivery of liquor may not be made on or from the premises of a package
1021	agency, and a package agency may not be kept open for the sale of liquor:
1022	(A) on Sunday; or
1023	(B) on a state or federal legal holiday.
1024	(ii) Sale or delivery of liquor may be made on or from the premises of a package
1025	agency, and a package agency may be open for the sale of liquor, only on a day and during
1026	hours that the commission directs by rule or order.
1027	(b) A package agency located at a manufacturing facility is not subject to Subsection
1028	(13)(a) if:
1029	(i) the package agency is located at a manufacturing facility licensed in accordance
1030	with Chapter 11, Manufacturing and Related Licenses Act;
1031	(ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing
1032	and Related Licenses Act, holds:
1033	(A) a full-service restaurant license;
1034	(B) a limited-service restaurant license;
1035	(C) a beer-only restaurant license; [or]
1036	(D) <u>a</u> dining club license; <u>or</u>
1037	(E) a bar license;
1038	(iii) the restaurant [or], dining club, or bar is located at the manufacturing facility;
1039	(iv) the restaurant [or], dining club, or bar sells an alcoholic product produced at the
1040	manufacturing facility;
1041	(v) the manufacturing facility:
1042	(A) owns the restaurant [or], dining club, or bar; or
1043	(B) operates the restaurant [or], dining club, or bar;
1044	(vi) the package agency only sells an alcoholic product produced at the manufacturing
1045	facility; and
1046	(vii) the package agency's days and hours of sale are the same as the days and hours of
1047	sale at the restaurant [or], dining club, or bar.
1048	(c) (i) Subsection (13)(a) does not apply to a package agency held by the following if

1077

	05-05-16 0:15 FWI 18t Sub. (Dull) 11.D. 4.
1049	the package agent that holds the package agency to sell liquor at a resort or hotel does not sell
1050	liquor in a manner similar to a state store:
1051	(A) a resort licensee; or
1052	(B) a hotel licensee.
1053	(ii) The commission may by rule define what constitutes a package agency that sells
1054	liquor "in a manner similar to a state store."
1055	(14) (a) Except to the extent authorized by commission rule, a minor may not be
1056	admitted into, or be on the premises of, a package agency unless accompanied by a person who
1057	is:
1058	(i) 21 years of age or older; and
1059	(ii) the minor's parent, legal guardian, or spouse.
1060	(b) A package agent or staff of a package agency that has reason to believe that a
1061	person who is on the premises of a package agency is under the age of 21 and is not
1062	accompanied by a person described in Subsection (14)(a) may:
1063	(i) ask the suspected minor for proof of age;
1064	(ii) ask the person who accompanies the suspected minor for proof of age; and
1065	(iii) ask the suspected minor or the person who accompanies the suspected minor for
1066	proof of parental, guardianship, or spousal relationship.
1067	(c) A package agent or staff of a package agency shall refuse to sell liquor to the
1068	suspected minor and to the person who accompanies the suspected minor into the package
1069	agency if the minor or person fails to provide any information specified in Subsection (14)(b).
1070	(d) A package agent or staff of a package agency shall require the suspected minor and
1071	the person who accompanies the suspected minor into the package agency to immediately leave
1072	the premises of the package agency if the minor or person fails to provide information specified
1073	in Subsection (14)(b).
1074	(15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed
1075	container.

- 1076 (b) A person may not open a sealed container on the premises of a package agency.
 - (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or furnish liquor in other than a sealed container:
 - (i) if the package agency is the type of package agency that authorizes the package

1000	agency to sen, other for safe, or furnish the fiquor as part of room service,
1081	(ii) if the liquor is sold, offered for sale, or furnished as part of room service; and
1082	(iii) subject to:
1083	(A) staff of the package agency providing the liquor in person only to an adult guest in
1084	the guest room;
1085	(B) staff of the package agency not leaving the liquor outside a guest room for retrieval
1086	by a guest; and
1087	(C) the same limits on the portions in which an alcoholic product may be sold by a
1088	retail licensee under Section 32B-5-304.
1089	(16) On or after October 1, 2011, a package agency may not sell, offer for sale, or
1090	furnish heavy beer in a sealed container that exceeds two liters.
1091	(17) The department may pay or otherwise remunerate a package agent on any basis,
1092	including sales or volume of business done by the package agency.
1093	(18) The commission may prescribe by policy or rule general operational requirements
1094	of a package agency that are consistent with this title and relate to:
1095	(a) physical facilities;
1096	(b) conditions of operation;
1097	(c) hours of operation;
1098	(d) inventory levels;
1099	(e) payment schedules;
1100	(f) methods of payment;
1101	(g) premises security; and
1102	(h) any other matter considered appropriate by the commission.
1103	Section 7. Section 32B-3-102 is amended to read:
1104	32B-3-102. Definitions.
1105	As used in this chapter:
1106	(1) "Aggravating circumstances" means:
1107	(a) prior warnings about compliance problems;
1108	(b) a prior violation history;
1109	(c) a lack of written policies governing employee conduct;
1110	(d) multiple violations during the course of an investigation;

1111	(e) efforts to conceal a violation;
1112	(f) an intentional violation;
1113	(g) the violation involved more than one patron or employee; or
1114	(h) a violation that results in injury or death.
1115	(2) "Final adjudication" means an adjudication for which a final judgment or order is
1116	issued that:
1117	(a) is not appealed, and the time to appeal the judgment has expired; or
1118	(b) is appealed, and is affirmed, in whole or in part, on appeal.
1119	(3) "Mitigating circumstances" means:
1120	(a) no prior violation history for the licensee or permittee;
1121	(b) no prior violation history for the individual who committed the violation;
1122	(c) motive for the individual who engaged in or allowed the violation to retaliate
1123	against the licensee or permittee; or
1124	(d) extraordinary cooperation with the investigation of the violation that demonstrates
1125	that the licensee or permittee and the individual who committed the violation accept
1126	responsibility for the violation.
1127	Section 8. Section 32B-5-202 is amended to read:
1128	32B-5-202. Renewal requirements.
1129	(1) A retail license expires each year on the day specified in the relevant part under
1130	Chapter 6, Specific Retail License Act, for that type of retail license.
1131	(2) (a) To renew a person's retail license, a retail licensee shall, by no later than the day
1132	specified in the relevant part under Chapter 6, Specific Retail License Act, for the type of retail
1133	license that is being renewed, submit:
1134	[(a)] (i) a completed renewal application [that includes a responsible alcohol service
1135	plan to the department] in a form prescribed by the department; and
1136	[(b)] (ii) a renewal fee in the amount specified in the relevant part under Chapter 6,
1137	Specific Retail License Act, for the type of retail license that is being renewed.
1138	(b) A retail licensee shall submit a responsible alcohol service plan as part of the retail
1139	licensee's renewal application if, since the retail licensee's most recent application or renewal,
1140	the retail licensee:
1141	(i) made substantial changes to the retail licensee's responsible alcohol service plan; or

1142	(ii) violated a provision of this chapter.
1143	(c) The department may audit a retail licensee's responsible alcohol.
1144	(3) Failure to meet the renewal requirements results in an automatic forfeiture of the
1145	retail license effective on the date the existing retail license expires.
1146	Section 9. Section 32B-5-207 is amended to read:
1147	32B-5-207. Multiple retail licenses on same premises.
1148	(1) As used in this section, "sublicense premises" means the same as that term is
1149	defined in Sections 32B-8-102 and 32B-8b-102.
1150	[(1) (a) (i)] (2) (a) The commission may not issue and one or more licensees may not
1151	hold more than one type of retail license for the same [room] premises.
1152	[(ii) The commission may define "room" by rule made in accordance with Title 63G,
1153	Chapter 3, Utah Administrative Rulemaking Act.]
1154	(b) Notwithstanding Subsection [(1)] (2)(a), the commission may issue and one or
1155	more licensees may hold more than one type of retail license for the same [room] premises if:
1156	(i) the applicant or licensee satisfies the requirements for each retail license;
1157	(ii) the types of retail licenses issued or held are two or more of the following:
1158	(A) a restaurant license;
1159	(B) an on-premise beer retailer license that is not a tavern; and
1160	(C) an on-premise banquet license or a reception center license; and
1161	(iii) the retail licenses do not operate at the same time on the same day.
1162	$[\frac{(2)}{2}]$ When one or more licensees hold more than one type of retail license for the
1163	same [room] <u>premises</u> under Subsection [(1)] (2)(b), the one or more licensees shall post in a
1164	conspicuous location at the entrance of the room a sign that:
1165	(a) measures 8-1/2 inches by 11 inches; and
1166	(b) states whether the premises is currently operating as:
1167	(i) a restaurant;
1168	(ii) an on-premise beer retailer that is not a tavern; or
1169	(iii) a banquet or a reception center.
1170	(4) (a) The commission may not issue and one or more licensees may not hold a bar
1171	license or a tavern license in the same room as a restaurant license.
1172	(b) For numbers of Subsection (4)(a) two licenses are not considered in the same room

1173	<u>if:</u>
1174	(i) each shared permanent wall between the premises licensed as a bar or a tavern and
1175	the premises licensed as a restaurant measures at least eight feet high;
1176	(ii) the premises for each license has a separate entryway that does not require a patron
1177	to pass through the premises licensed as a bar or a tavern to access the premises licensed as a
1178	restaurant; and
1179	(iii) if a patron must pass through the premises licensed as a restaurant to access the
1180	entryway to the premises licensed as a bar or a tavern, a patron on the premises licensed as a
1181	restaurant cannot see a dispensing structure on the premises licensed as a bar or a tavern.
1182	[(3)] (5) (a) If, on May 9, 2017, one or more licensees hold more than one type of retail
1183	license [for the same room] in violation of Subsection [$\frac{1}{2}$] $\frac{2}{2}$ or $\frac{4}{3}$, the one or more licensees
1184	may operate under the different types of retail licenses through June 30, 2018.
1185	(b) A licensee may not operate in violation of Subsection [(1)] (2) or (4) on or after
1186	July 1, 2018.
1187	(c) Before July 1, 2018, each licensee described in Subsection [(3)] (5)(a) shall notify
1188	the commission of each retail license that the licensee will surrender effective July 1, 2018, to
1189	comply with the provisions of Subsection $[(1)]$ (2) or (4).
1190	(d) The commission shall establish by rule, made in accordance with Title 63G,
1191	Chapter 3, Utah Administrative Rulemaking Act, a procedure by which a licensee surrenders a
1192	retail license under this Subsection $[(3)]$ (5).
1193	(6) (a) The commission may issue more than one type of sublicense to a resort licensed
1194	under Chapter 8, Resort License Act, or a hotel licensed under Chapter 8b, Hotel License Act,
1195	for the same room if the sublicense premises are clearly delineated by one or more permanent
1196	physical structures, such as a wall or other architectural feature, that separate the sublicense
1197	premises.
1198	(b) A patron may not transport an alcoholic beverage between two sublicense premises
1199	located in the same room in accordance with Subsection (6)(a).
1200	(c) Notwithstanding any provision to the contrary, a minor may momentarily pass
1201	through a sublicense premises that is a bar to reach another location where a minor may
1202	lawfully be, if there is no practical alternative route to the location.

Section 10. Section **32B-5-307** is amended to read:

1203

1204	32B-5-307. Bringing alcoholic product onto or removing alcoholic product from
1205	premises.
1206	(1) Except as provided in Subsection (3):
1207	(a) A person may not bring onto the licensed premises of a retail licensee an alcoholic
1208	product for on-premise consumption.
1209	(b) A retail licensee may not allow a person to:
1210	(i) bring onto licensed premises an alcoholic product for on-premise consumption; or
1211	(ii) consume an alcoholic product brought onto the licensed premises by a person other
1212	than the retail licensee.
1213	(c) A retail licensee may not sell, offer for sale, or furnish an alcoholic product through
1214	a window or door to a location off the licensed premises or to a vehicular traffic area.
1215	(2) Except as provided in [Subsection (3)] Subsections (3), (4), and 32B-4-415(5):
1216	(a) a person may not carry from a licensed premises of a retail licensee an open
1217	container that:
1218	(i) is used primarily for drinking purposes; and
1219	(ii) contains an alcoholic product[-];
1220	(b) a retail licensee may not permit a patron to carry from the licensed premises an
1221	open container described in Subsection (2)(a)[-]; and
1222	[(c) Except as provided in Subsection (3)(d) or Subsection 32B-4-415(5):]
1223	(c) (i) a person may not carry from a licensed premises of a retail licensee a sealed
1224	container of liquor that has been purchased from the retail licensee; and
1225	(ii) a retail licensee may not permit a patron to carry from the licensed premises a
1226	sealed container of liquor that has been purchased from the retail licensee.
1227	(3) (a) A patron may bring a bottled wine onto the premises of a retail licensee for
1228	on-premise consumption if:
1229	(i) permitted by the retail licensee; and
1230	(ii) the retail licensee is authorized to sell, offer for sale, or furnish wine.
1231	(b) If a patron carries bottled wine onto the licensed premises of a retail licensee, the
1232	patron shall deliver the bottled wine to a server or other representative of the retail licensee
1233	upon entering the licensed premises.
1234	(c) A retail licensee authorized to sell, offer for sale, or furnish wine, may provide a

1235	wine service for a bottled wine carried onto the licensed premises in accordance with this
1236	Subsection (3) or a bottled wine purchased at the licensed premises.
1237	(d) A patron may remove from a licensed premises the unconsumed contents of a bottle
1238	of wine purchased at the licensed premises, or brought onto the licensed premises in
1239	accordance with this Subsection (3), only if before removal the bottle is recorked or recapped.
1240	(4) A patron may transport beer between the premises of an on-premise banquet license
1241	and an on-premise beer retailer license that is not a tavern, and consume the beer on either
1242	licensed premises, if the licensed premises are:
1243	(a) immediately adjacent to one another; and
1244	(b) located in a sports facility as defined in Section 32B-6-702.
1245	Section 11. Section 32B-5-308 is amended to read:
1246	32B-5-308. Requirements on staff or others on premises Employing a minor.
1247	(1) Staff of a retail licensee, while on duty, may not:
1248	(a) consume an alcoholic product; or
1249	(b) be intoxicated.
1250	(2) (a) A retail licensee may not employ a minor to sell, offer for sale, furnish, or
1251	dispense an alcoholic product.
1252	(b) Notwithstanding Subsection (2)(a), unless otherwise prohibited in the provisions
1253	related to the specific type of retail license, a retail licensee may employ a minor who is at least
1254	16 years of age to enter the sale at a cash register or other sales recording device.
1255	(3) A full-service restaurant licensee, limited-service restaurant licensee, or beer-only
1256	restaurant licensee may employ a minor who is at least 18 years of age to bus tables, including
1257	containers that contain an alcoholic product.
1258	Section 12. Section 32B-5-405 is amended to read:
1259	32B-5-405. Department training programs.
1260	(1) No later than January 1, 2018, the department shall develop the following training
1261	programs that are provided either in-person or online:
1262	(a) a training program for retail managers that addresses:
1263	(i) the statutes and rules that govern alcohol sales and consumption in the state;
1264	(ii) the requirements for operating as a retail licensee;
1265	(iii) using compliance assistance from the department; and

chapter[; and].

1266	(iv) any other topic the department determines beneficial to a retail manager; and
1267	(b) a training program for an individual employed by a retail licensee or an off-premise
1268	beer retailer who violates a provision of this title related to the sale, service, or furnishing of an
1269	alcoholic beverage to an intoxicated individual or a minor, that addresses:
1270	(i) the statutes and rules that govern the most common types of violations under this
1271	title;
1272	(ii) how to avoid common violations; and
1273	(iii) any other topic the department determines beneficial to the training program.
1274	(2) No later than January 1, 2019, the department shall develop a training program for
1275	off-premise retail managers that is provided either in-person or online and addresses:
1276	(a) the statutes and rules that govern sales at an off-premise beer retailer;
1277	(b) the requirements for operating an off-premise beer retailer;
1278	(c) using compliance assistance from the department; and
1279	(d) any other topic the department determines beneficial to an off-premise retail
1280	manager.
1281	(3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
1282	the provisions of this section, the department shall make rules to develop and implement the
1283	training programs described in this section, including rules that establish:
1284	(a) the requirements for each training program described in this section;
1285	(b) measures that accurately identify each individual who takes and completes a
1286	training program;
1287	(c) measures that ensure an individual taking a training program is focused and actively
1288	engaged in the training material throughout the training program;
1289	(d) a record that certifies that an individual has completed a training program; and
1290	(e) a fee for participation in a training program to cover the department's cost of
1291	providing the training program.
1292	(4) (a) Except as provided in Subsection (5), each retail manager shall[: (i)] complete
1293	the training described in Subsection (1)(a) no later than the earlier of:
1294	[(A)] (i) 30 days after the day on which the retail manager is hired; or
1295	[(B)] (ii) before the day on which the retail licensee obtains a retail license under this

1297	[(ii) retake the training program described in Subsection (1)(a) once every three years.]
1298	(b) Except as provided in Subsection (5), each off-premise retail manager shall[: (i)]
1299	complete the training described in Subsection (2) no later than the earlier of:
1300	[(A)] (i) 30 days after the day on which the off-premise retail manager is hired; or
1301	[(B)] (ii) before the day on which the off-premise beer retailer obtains an off-premise
1302	beer retailer state license[; and].
1303	[(ii) retake the training program described in Subsection (2) once every three years.]
1304	(c) (i) If the commission finds that [an individual employed by] a retail licensee
1305	violated a provision of this title related to the sale, service, or furnishing of an alcoholic
1306	beverage to an intoxicated individual or a minor for a second time [while employed by the
1307	same retail licensee] within three years after the day on which the first violation was
1308	adjudicated, the violator, all retail staff, and each retail manager shall complete the training
1309	program described in Subsection (1)(b).
1310	(ii) If the commission finds that [an individual employed by] an off-premise beer
1311	retailer violated a provision of this title related to the sale, service, or furnishing of an alcoholic
1312	beverage to an intoxicated individual or a minor for a second time [while employed by the
1313	same off-premise beer retailer] within three years after the day on which the first violation was
1314	adjudicated, the violator and each off-premise retail manager shall complete the training
1315	program described in Subsection (1)(b).
1316	(5) (a) For a person who holds a retail license on January 1, 2018, each retail manager
1317	shall complete the training program described in Subsection (1)(a) for the first time as a
1318	condition of renewing the licensee's retail license in 2018.
1319	(b) For a person who holds an off-premise beer retailer state license on January 1,
1320	2019, each off-premise retail manager shall complete the training program described in
1321	Subsection (1)(b) for the first time as a condition of renewing the licensee's off-premise beer
1322	retailer state license in 2019.
1323	(6) If an individual fails to complete a required training program under this section:
1324	(a) the commission may suspend, revoke, or not renew the retail license or off-premise
1325	beer retailer state license;
1326	(b) a city, town, metro township, or county in which the retail licensee or off-premise
1327	beer retailer is located may suspend, revoke, or not renew the retail licensee's or off-premise

1328	beer retailer's business license; or
1329	(c) a local authority may suspend, revoke, or not renew the off-premise beer retailer's
1330	license.
1331	Section 13. Section 32B-6-202 is amended to read:
1332	32B-6-202. Definitions.
1333	As used in this part:
1334	(1) (a) "Dining area" means an area in the licensed premises of a full-service restaurant
1335	licensee that is primarily used for the service and consumption of food by one or more patrons.
1336	(b) "Dining area" does not include a dispensing area.
1337	(2) (a) "Dispensing area" means an area in the licensed premises of a full-service
1338	restaurant licensee where a dispensing structure is located and that:
1339	(i) is physically separated from the dining area and any waiting area by a structure or
1340	other barrier that prevents a patron seated in the dining area or a waiting area from viewing the
1341	dispensing of alcoholic product;
1342	(ii) except as provided in Subsection (2)(b), measures at least 10 feet from [any area
1343	where alcoholic product is dispensed to] the dining area and any waiting area[, measured from
1344	the point of the area where alcoholic product is dispensed that is closest to the dining area or
1345	waiting area] to the nearest edge of the dispensing structure; or
1346	(iii) is physically separated from the dining area and any waiting area by a permanent
1347	physical structure that complies with the provisions of Title 15A, State Construction and Fire
1348	Codes Act, and, to the extent allowed under Title 15A, State Construction and Fire Codes Act,
1349	measures:
1350	(A) at least 42 inches high; and
1351	(B) at least 60 inches from the inside edge of the barrier to the nearest edge of the
1352	dispensing structure.
1353	(b) "Dispensing area" does not include any area described in Subsection (2)(a)(ii) that
1354	is less than 10 feet from an area where alcoholic product is dispensed, but from which a patron
1355	seated at a table or counter cannot view the dispensing of alcoholic product.
1356	(3) (a) "Grandfathered bar structure" means a bar structure in a licensed premises of a
1357	full-service restaurant licensee that:
1358	(i) as of May 11, 2009, has:

1339	(A) patron seating at the oar structure,
1360	(B) a partition at one or more locations on the bar structure that is along:
1361	(I) the width of the bar structure; or
1362	(II) the length of the bar structure; and
1363	(C) facilities for the dispensing or storage of an alcoholic product:
1364	(I) on the portion of the bar structure that is separated by the partition described in
1365	Subsection (3)(a)(i)(B); or
1366	(II) if the partition as described in Subsection (3)(a)(i)(B)(II) is adjacent to the bar
1367	structure in a manner visible to a patron sitting at the bar structure;
1368	(ii) is not operational as of May 12, 2009, if:
1369	(A) a person applying for a full-service restaurant license:
1370	(I) has as of May 12, 2009, a building permit to construct the restaurant;
1371	(II) is as of May 12, 2009, actively engaged in the construction of the restaurant, as
1372	defined by rule made by the commission; and
1373	(III) is issued the full-service restaurant license by no later than December 31, 2009;
1374	and
1375	(B) once constructed, the licensed premises has a bar structure described in Subsection
1376	(3)(a)(i);
1377	(iii) as of May 12, 2009, has no patron seating at the bar structure; or
1378	(iv) is not operational as of May 12, 2009, if:
1379	(A) a person applying for a full-service restaurant license:
1380	(I) has as of May 12, 2009, a building permit to construct the restaurant;
1381	(II) is as of May 12, 2009, actively engaged in the construction of the restaurant, as
1382	defined by rule made by the commission; and
1383	(III) is issued a full-service restaurant license by no later than December 31, 2009; and
1384	(B) once constructed, the licensed premises has a bar structure with no patron seating.
1385	(b) "Grandfathered bar structure" does not include a grandfathered bar structure
1386	described in Subsection (3)(a) on or after the day on which a restaurant remodels the
1387	grandfathered bar structure, as defined by rule made by the commission.
1388	(c) Subject to Subsection (3)(b), a grandfathered bar structure remains a grandfathered
1389	bar structure notwithstanding whether a restaurant undergoes a change of ownership.

1390	(4) "Seating grandfathered bar structure" means:
1391	(a) a grandfathered bar structure described in Subsection (3)(a)(i) or (ii); or
1392	(b) a bar structure grandfathered under Section 32B-6-409.
1393	(5) "Small full-service restaurant licensee" means a converted full-service restaurant
1394	licensee as defined in Section 32B-6-404.1 or a full-service restaurant licensee that has a
1395	grandfathered bar structure, whose dispensing area includes more than two-thirds of the
1396	available seating for patrons on the licensed premises:
1397	(a) when measured in accordance with Subsection (2)(a)(ii); and
1398	(b) based on the licensee's floor plan on file with the department on July 1, 2017.
1399	[(5)] <u>(6)</u> "Waiting area" includes a lobby.
1400	Section 14. Section 32B-6-205 is amended to read:
1401	32B-6-205. Specific operational requirements for a full-service restaurant license
1402	Before July 1, 2018, or July 1, 2022.
1403	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1404	Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
1405	shall comply with this section.
1406	(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1407	in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
1408	(i) a full-service restaurant licensee;
1409	(ii) individual staff of a full-service restaurant licensee; or
1410	(iii) both a full-service restaurant licensee and staff of the full-service restaurant
1411	licensee.
1412	(2) In addition to complying with Subsection 32B-5-301(3), a full-service restaurant
1413	licensee shall[: (a)] display in a prominent place in the restaurant a list of the types and brand
1414	names of liquor being furnished through the full-service restaurant licensee's calibrated metered
1415	dispensing system[; and].
1416	[(b) display in a conspicuous place at the entrance to the licensed premises a sign
1417	approved by the commission that:]
1418	[(i) measures at least 8-1/2 inches long and 11 inches wide; and]
1419	[(ii) clearly states that the full-service restaurant licensee is a restaurant and not a bar.]
1420	(3) In addition to complying with Section 32B-5-303, a full-service restaurant licensee

1423

1424

1425

1426

14271428

1429

1430

1431

1432

1433

1434

1435

1436

14371438

1439

1440

1441

1442

14431444

1445

1446

1447

1448

1449

shall store an alcoholic product in a storage area described in Subsection (12)(a

- (4) (a) An individual who serves an alcoholic product in a full-service restaurant licensee's premises shall make a written beverage tab for each table or group that orders or consumes an alcoholic product on the premises.
- (b) A beverage tab required by this Subsection (4) shall list the type and amount of an alcoholic product ordered or consumed.
- (5) A person's willingness to serve an alcoholic product may not be made a condition of employment as a server with a full-service restaurant licensee.
- (6) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the licensed premises during the following time periods only:
 - (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or
- (ii) on a weekend or a state or federal legal holiday or for a private event, during the period that begins at 10:30 a.m. and ends at 11:59 p.m.
- (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the licensed premises during the following time periods only:
 - (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or
- (ii) on a weekend or a state or federal legal holiday or for a private event, during the period that begins at 10:30 a.m. and ends at 12:59 a.m.
- (7) A full-service restaurant licensee shall maintain at least 70% of its total restaurant business from the sale of food, which does not include:
 - (a) mix for an alcoholic product; or
 - (b) a service charge.
- (8) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an alcoholic product except after the full-service restaurant licensee confirms that the patron has the intent to order food prepared, sold, and furnished at the licensed premises.
- (b) A full-service restaurant licensee shall maintain on the licensed premises adequate culinary facilities for food preparation and dining accommodations.
- (9) (a) Subject to the other provisions of this Subsection (9), a patron may not have more than two alcoholic products of any kind at a time before the patron.
- 1450 (b) A patron may not have more than one spirituous liquor drink at a time before the patron.

1452	(c) An individual portion of wine is considered to be one alcoholic product under
1453	Subsection (9)(a).
1454	(10) A patron may consume an alcoholic product only:
1455	(a) at:
1456	(i) the patron's table;
1457	(ii) a counter; or
1458	(iii) a seating grandfathered bar structure; and
1459	(b) where food is served.
1460	(11) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an
1461	alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar
1462	structure that is not a seating grandfathered bar structure.
1463	(b) At a seating grandfathered bar structure a patron who is 21 years of age or older
1464	may:
1465	(i) sit;
1466	(ii) be furnished an alcoholic product; and
1467	(iii) consume an alcoholic product.
1468	(c) Except as provided in Subsection (11)(d), at a seating grandfathered bar structure a
1469	full-service restaurant licensee may not permit a minor to, and a minor may not:
1470	(i) sit; or
1471	(ii) consume food or beverages.
1472	(d) (i) A minor may be at a seating grandfathered bar structure if the minor is
1473	employed by a full-service restaurant licensee:
1474	(A) as provided in Subsection 32B-5-308(2); or
1475	(B) to perform maintenance and cleaning services during an hour when the full-service
1476	restaurant licensee is not open for business.
1477	(ii) A minor may momentarily pass by a seating grandfathered bar structure without
1478	remaining or sitting at the bar structure en route to an area of a full-service restaurant licensee's
1479	premises in which the minor is permitted to be.
1480	(12) Except as provided in Subsection 32B-5-307(3), a full-service restaurant licensee
1481	may dispense an alcoholic product only if:
1482	(a) the alcoholic product is dispensed from:

1483	(i) a grandfathered bar structure;
1484	(ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
1485	the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
1486	12, 2009; or
1487	(iii) an area that is:
1488	(A) separated from an area for the consumption of food by a patron by a solid,
1489	translucent, permanent structural barrier such that the facilities for the storage or dispensing of
1490	an alcoholic product are:
1491	(I) not readily visible to a patron; and
1492	(II) not accessible by a patron; and
1493	(B) apart from an area used:
1494	(I) for dining;
1495	(II) for staging; or
1496	(III) as a lobby or waiting area;
1497	(b) the full-service restaurant licensee uses an alcoholic product that is:
1498	(i) stored in an area described in Subsection (12)(a); or
1499	(ii) in an area not described in Subsection (12)(a) on the licensed premises and:
1500	(A) immediately before the alcoholic product is dispensed it is in an unopened
1501	container; (B) the unopened container is taken to an area described in Subsection (12)(a) before
1502	it is opened; and (C) once opened, the container is stored in an area described in Subsection
1503	(12)(a); and
1504	(c) any instrument or equipment used to dispense alcoholic product is located in an
1505	area described in Subsection (12)(a).
1506	(13) A full-service restaurant licensee may state in a food or alcoholic product menu a
1507	charge or fee made in connection with the sale, service, or consumption of liquor including:
1508	(a) a set-up charge;
1509	(b) a service charge; or
1510	(c) a chilling fee.
1511	(14) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
1512	beverages within 10 feet of a grandfathered bar structure, unless:
1513	(a) seating within 10 feet of the grandfathered bar structure is the only seating available

1514	in the licensed premises; and
1515	(b) the minor is accompanied by an individual who is 21 years of age or older.
1516	(15) Except as provided in Subsection 32B-6-205.2[(18)](16) and Section
1517	32B-6-205.3, the provisions of this section apply before July 1, 2018.
1518	Section 15. Section 32B-6-205.2 is amended to read:
1519	32B-6-205.2. Specific operational requirements for a full-service restaurant
1520	license On and after July 1, 2018, or July 1, 2022.
1521	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1522	Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
1523	shall comply with this section.
1524	(b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
1525	accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
1526	(i) a full-service restaurant licensee;
1527	(ii) individual staff of a full-service restaurant licensee; or
1528	(iii) both a full-service restaurant licensee and staff of the full-service restaurant
1529	licensee.
1530	[(2) In addition to complying with Subsection 32B-5-301(3), a full-service restaurant
1531	licensee shall display in a conspicuous place at the entrance to the licensed premises a sign
1532	approved by the commission that:]
1533	[(a) measures at least 8-1/2 inches long and 11 inches wide; and]
1534	[(b) clearly states that the full-service restaurant licensee is a restaurant and not a bar.]
1535	[(3) In addition to complying with Section 32B-5-303, a full-service restaurant licensee
1536	shall store an alcoholic product in a storage area described in Subsection (13) (a).]
1537	[(4)] (2) (a) An individual who serves an alcoholic product in a full-service restaurant
1538	licensee's premises shall make a beverage tab for each table or group that orders or consumes
1539	an alcoholic product on the premises.
1540	(b) A beverage tab described in this Subsection [(4)] (2) shall state the type and amount
1541	of each alcoholic product ordered or consumed.
1542	[(5)] (3) A full-service restaurant licensee may not make an individual's willingness to
1543	serve an alcoholic product a condition of employment with a full-service restaurant licensee.
1544	[(6)] (4) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor

1545	at the licensed premises during the following time periods only:
1546	(i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or
1547	(ii) on a weekend or a state or federal legal holiday or for a private event, during the
1548	period that begins at 10:30 a.m. and ends at 11:59 p.m.
1549	(b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the
1550	licensed premises during the following time periods only:
1551	(i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or
1552	(ii) on a weekend or a state or federal legal holiday or for a private event, during the
1553	period that begins at 10:30 a.m. and ends at 12:59 a.m.
1554	$\left[\frac{7}{2}\right]$ (5) A full-service restaurant licensee shall maintain at least 70% of the
1555	full-service restaurant licensee's total restaurant business from the sale of food, which does not
1556	include:
1557	(a) mix for an alcoholic product; or
1558	(b) a service charge.
1559	[(8)] (6) (a) A full-service restaurant licensee may not [sell, offer for sale, or] furnish
1560	an alcoholic product except after:
1561	(i) the patron to whom the full-service restaurant licensee [sells, offers for sale, or]
1562	furnishes the alcoholic product is seated at:
1563	(A) a table that is located in a dining area or a dispensing area;
1564	(B) a counter that is located in a dining area or a dispensing area; or
1565	(C) a dispensing structure that is located in a dispensing area; and
1566	(ii) the full-service restaurant licensee confirms that the patron intends to:
1567	(A) order food prepared, sold, and furnished at the licensed premises; and
1568	(B) except as provided in Subsection [(8)] (6)(b), consume the food at the same
1569	location where the patron is seated and [sold, offered for sale, or] furnished the alcoholic
1570	product.
1571	(b) (i) While a patron waits for a seat at a table or counter in the dining area of a
1572	full-service restaurant licensee, the full-service restaurant licensee may sell, offer for sale, or
1573	furnish to the patron one drink that contains a single portion of an alcoholic product as
1574	described in Section 32B-5-304 if:
1575	(A) the patron is in a dispensing area and seated at a table, counter, or dispensing

1576	structure;	and
12/0	su acture,	and

1578

1579

1580

1581

1582

1583

1584

1585

1586

1587

1588

1589

1590

1591

1592

1593

1594

1595

1596

1597

1598

1599

1600

1601

16021603

1604

- (B) the full-service restaurant licensee first confirms that after the patron is seated in the dining area, the patron intends to order food prepared, sold, and furnished at the licensed premises.
- (ii) If the patron does not finish the patron's alcoholic product before moving to a seat in the dining area, an employee of the full-service restaurant licensee who is qualified to sell and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished portion of the patron's alcoholic product to the patron's seat in the dining area.
- (iii) For purposes of Subsection [(8)] (6)(b)(i) a single portion of wine is 5 ounces or less.
- (c) A full-service restaurant licensee shall maintain on the licensed premises adequate culinary facilities for food preparation and dining accommodations.
 - [(9)] (7) A patron may consume an alcoholic product only if the patron is seated at:
 - (a) a table that is located in a dining area or dispensing area;
 - (b) a counter that is located in a dining area or dispensing area; or
 - (c) a dispensing structure located in a dispensing area.
- [(10)] (8) (a) Subject to the other provisions of this Subsection [(10)] (8), a patron may not have more than two alcoholic products of any kind at a time before the patron.
 - (b) A patron may not have more than one spirituous liquor drink at a time before the patron.
- (c) An individual portion of wine is considered to be one alcoholic product under Subsection [(10)] (8)(a).
- [(11)] (9) In accordance with the provisions of this section, an individual who is at least 21 years of age may consume food and beverages in a dispensing area.
- [(12)] (10) (a) Except as provided in Subsection [(12)] (10)(b), a minor may not sit, remain, or consume food or beverages in a dispensing area.
- (b) (i) A minor may be in a dispensing area if the minor is employed by the full-service restaurant licensee:
 - (A) in accordance with Subsection 32B-5-308(2); or
- 1605 (B) to perform maintenance and cleaning services when the full-service restaurant 1606 licensee is not open for business.

1607	(ii) If there is no alternative route available, a minor may momentarily pass through a
1608	dispensing area without remaining or sitting in the dispensing area en route to an area of the
1609	full-service restaurant licensee's premises in which the minor is permitted to be.
1610	[(13)] (11) Except as provided in Subsection 32B-5-307(3), a full-service restaurant
1611	licensee may dispense an alcoholic product only if:
1612	(a) the alcoholic product is dispensed from:
1613	(i) a dispensing structure that is located in a dispensing area;
1614	(ii) an area that is:
1615	(A) separated from an area for the consumption of food by a patron by a solid,
1616	translucent, permanent structural barrier such that the facilities for the [storage or] dispensing
1617	of an alcoholic product are not readily visible to a patron and not accessible by a patron; and
1618	(B) apart from an area used for dining, for staging, or as a lobby or waiting area; or
1619	(iii) the premises of a bar licensee that is:
1620	(A) owned by the same person or persons as the full-service restaurant licensee; and
1621	(B) located immediately adjacent to the premises of the full-service restaurant licensee
1622	and
1623	[(b) the full-service restaurant licensee uses an alcoholic product that is stored in an
1624	area described in Subsection (13) (a) or in accordance with Section 32B-5-303; and]
1625	[(c)] (b) any instrument or equipment used to dispense alcoholic product is located in
1626	an area described in Subsection $[(13)]$ (11) (a).
1627	[(14)] (12) (a) A full-service restaurant licensee may have more than one dispensing
1628	area in the licensed premises.
1629	(b) Each dispensing area in a licensed premises may satisfy the requirements for a
1630	dispensing area under Subsection 32B-6-202(2)(a)(i), (ii), or (iii), regardless of how any other
1631	dispensing area in the licensed premises satisfies the requirements for a dispensing area.
1632	[(15)] (13) A full-service restaurant licensee may not:
1633	(a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or
1634	(b) display an alcoholic product or a product intended to appear like an alcoholic
1635	product by moving a cart or similar device around the licensed premises.
1636	[(16)] (14) A full-service restaurant licensee may state in a food or alcoholic product
1637	menu a charge or fee made in connection with the sale, service, or consumption of liquor,

1638	including:
1639	(a) a set-up charge;
1640	(b) a service charge; or
1641	(c) a chilling fee.
1642	[(17)] (15) (a) In addition to the requirements described in Section 32B-5-302, a
1643	full-service restaurant licensee shall maintain each of the following records for at least three
1644	years:
1645	(i) a record required by Section 32B-5-302; and
1646	(ii) a record that the commission requires a full-service restaurant licensee to use or
1647	maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
1648	Rulemaking Act.
1649	(b) The department shall audit the records of a full-service restaurant licensee at least
1650	once each calendar year.
1651	[(18)] (16) (a) In accordance with Section 32B-6-205.3, a full-service restaurant
1652	licensee:
1653	(i) may comply with the provisions of this section beginning on or after July 1, 2017;
1654	and
1655	(ii) shall comply with the provisions of this section:
1656	(A) for a full-service restaurant licensee that does not have a grandfathered bar
1657	structure, on and after July 1, 2018; or
1658	(B) for a full-service restaurant licensee that has a grandfathered bar structure, on and
1659	after July 1, 2022.
1660	(b) A full-service restaurant licensee that elects to comply with the provisions of this
1661	section before the latest applicable date described in Subsection [(18)] (16)(a)(ii):
1662	(i) shall comply with each provision of this section; and
1663	(ii) is not required to comply with the provisions of Section 32B-6-205.
1664	Section 16. Section 32B-6-205.4 is enacted to read:
1665	32B-6-205.4. Small full-service restaurant licensee Exemption.
1666	(1) Notwithstanding the provisions of Section 32B-6-205 or 32B-6-205.2 and subject
1667	to Subsection (2), a minor may sit, remain, or consume food or beverages in the dispensing
1668	area of a small full-service restaurant licensee if:

1669	(a) seating in the dispensing area is the only seating available for patrons on the
1670	licensed premises;
1671	(b) the minor is accompanied by an individual who is 21 years of age or older; and
1672	(c) the small full-service restaurant licensee applies for and obtains approval from the
1673	department to seat minors in the dispensing area in accordance with this section.
1674	(2) A minor may not sit, remain, or consume food or beverages at a dispensing
1675	structure.
1676	(3) The department shall:
1677	(a) grant an approval described in Subsection (1)(c) if the small full-service restaurant
1678	licensee demonstrates that the small full-service restaurant licensee meets the requirements
1679	described in Subsection 32B-6-202(5); and
1680	(b) for each application described in Subsection (1)(c) that the department receives on
1681	or before May 8, 2018, act on the application on or before July 1, 2018.
1682	Section 17. Section 32B-6-302 is amended to read:
1683	32B-6-302. Definitions.
1684	As used in this part:
1685	(1) (a) "Dining area" means an area in the licensed premises of a limited-service
1686	restaurant licensee that is primarily used for the service and consumption of food by one or
1687	more patrons.
1688	(b) "Dining area" does not include a dispensing area.
1689	(2) (a) "Dispensing area" means an area in the licensed premises of a limited-service
1690	restaurant licensee where a dispensing structure is located and that:
1691	(i) is physically separated from the dining area and any waiting area by a structure or
1692	other barrier that prevents a patron seated in the dining area or a waiting area from viewing the
1693	dispensing of alcoholic product;
1694	(ii) except as provided in Subsection (2)(b), measures at least 10 feet from [any area
1695	where alcoholic product is dispensed to] the dining area and any waiting area[, measured from
1696	the point of the area where alcoholic product is dispensed that is closest to the dining area or
1697	waiting area] to the nearest edge of the dispensing structure; or
1698	(iii) is physically separated from the dining area and any waiting area by a permanent
1699	physical structure that complies with the provisions of Title 15A, State Construction and Fire

1700 Codes Act, and, to the extent allowed under Title 15A, State Construction and Fire Codes Act, 1701 measures: 1702 (A) at least 42 inches high; and 1703 (B) at least 60 inches from the inside edge of the barrier to the nearest edge of the 1704 dispensing structure. 1705 (b) "Dispensing area" does not include any area described in Subsection (2)(a)(ii) that 1706 is less than 10 feet from an area where alcoholic product is dispensed, but from which a patron 1707 seated at a table or counter cannot view the dispensing of alcoholic product. 1708 (3) (a) "Grandfathered bar structure" means a bar structure in a licensed premises of a 1709 limited-service restaurant licensee that: 1710 (i) as of May 11, 2009, has: 1711 (A) patron seating at the bar structure; 1712 (B) a partition at one or more locations on the bar structure that is along: 1713 (I) the width of the bar structure; or 1714 (II) the length of the bar structure; and 1715 (C) facilities for the dispensing or storage of an alcoholic product: 1716 (I) on the portion of the bar structure that is separated by the partition described in 1717 Subsection (3)(a)(i)(B); or 1718 (II) if the partition as described in Subsection (3)(a)(i)(B)(II) is adjacent to the bar 1719 structure in a manner visible to a patron sitting at the bar structure; 1720 (ii) is not operational as of May 12, 2009, if: 1721 (A) a person applying for a limited-service restaurant license: 1722 (I) has as of May 12, 2009, a building permit to construct the restaurant; 1723 (II) is as of May 12, 2009, actively engaged in the construction of the restaurant, as 1724 defined by rule made by the commission; and 1725 (III) is issued the limited-service restaurant license by no later than December 31, 1726 2009; and 1727 (B) once constructed, the licensed premises has a bar structure described in Subsection 1728 (3)(a)(i);1729 (iii) as of May 12, 2009, has no patron seating at the bar structure; or 1730 (iv) is not operational as of May 12, 2009, if:

1/31	(A) a person applying for a fiffiled-service restaurant ficense:
1732	(I) has as of May 12, 2009, a building permit to construct the restaurant;
1733	(II) is as of May 12, 2009, actively engaged in the construction of the restaurant, as
1734	defined by rule made by the commission; and
1735	(III) is issued a limited-service restaurant license by no later than December 31, 2009;
1736	and
1737	(B) once constructed, the licensed premises has a bar structure with no patron seating.
1738	(b) "Grandfathered bar structure" does not include a grandfathered bar structure
1739	described in Subsection (3)(a) on or after the day on which a restaurant remodels the
1740	grandfathered bar structure, as defined by rule made by the commission.
1741	(c) Subject to Subsection (3)(b), a grandfathered bar structure remains a grandfathered
1742	bar structure notwithstanding whether a restaurant undergoes a change of ownership.
1743	(4) "Seating grandfathered bar structure" means:
1744	(a) a grandfathered bar structure described in Subsection (3)(a)(i) or (ii); or
1745	(b) a bar structure grandfathered under Section 32B-6-409.
1746	(5) "Small limited-service restaurant licensee" means a limited-service restaurant
1747	licensee that has a grandfathered bar structure whose dispensing area includes more than
1748	two-thirds of the available seating for patrons on the licensed premises:
1749	(a) when measured in accordance with Subsection (2)(a)(ii); and
1750	(b) based on the licensee's floor plan on file with the department on July 1, 2017.
1751	[(5)] <u>(6)</u> "Waiting area" includes a lobby.
1752	[(6)] (7) "Wine" includes an alcoholic beverage defined as wine under 27 U.S.C. Sec.
1753	211 and 27 C.F.R. Sec. 4.10, including the following alcoholic beverages made in the manner
1754	of wine containing not less than 7% and not more than 24% of alcohol by volume:
1755	(a) sparkling and carbonated wine;
1756	(b) wine made from condensed grape must;
1757	(c) wine made from other agricultural products than the juice of sound, ripe grapes;
1758	(d) imitation wine;
1759	(e) compounds sold as wine;
1760	(f) vermouth;
1761	(g) cider;

1762	(h) perry; and
1763	(i) sake.
1764	Section 18. Section 32B-6-305 is amended to read:
1765	32B-6-305. Specific operational requirements for a limited-service restaurant
1766	license Before July 1, 2018, or July 1, 2022.
1767	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1768	Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
1769	licensee shall comply with this section.
1770	(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1771	in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
1772	(i) a limited-service restaurant licensee;
1773	(ii) individual staff of a limited-service restaurant licensee; or
1774	(iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
1775	licensee.
1776	(2) (a) A limited-service restaurant licensee on the licensed premises may not sell, offer
1777	for sale, furnish, or allow consumption of:
1778	(i) spirituous liquor; or
1779	(ii) a flavored malt beverage.
1780	(b) A product listed in Subsection (2)(a) may not be on the premises of a
1781	limited-service restaurant licensee except for use:
1782	(i) as a flavoring on a dessert; and
1783	(ii) in the preparation of a flaming food dish, drink, or dessert.
1784	(3) In addition to complying with Section 32B-5-303, a limited-service restaurant
1785	licensee shall store an alcoholic product in a storage area described in Subsection (12)(a).
1786	(4) (a) An individual who serves an alcoholic product in a limited-service restaurant
1787	licensee's premises shall make a written beverage tab for each table or group that orders or
1788	consumes an alcoholic product on the premises.
1789	(b) A beverage tab required by this Subsection (4) shall list the type and amount of an
1790	alcoholic product ordered or consumed.
1791	(5) A person's willingness to serve an alcoholic product may not be made a condition
1792	of employment as a server with a limited-service restaurant licensee.

1821

18221823

1793	(6) (a) A limited-service restaurant licensee may sell, offer for sale, or furnish wine or
1794	heavy beer at the licensed premises during the following time periods only:
1795	(i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or
1796	(ii) on a weekend or a state or federal legal holiday or for a private event, during the
1797	period that begins at 10:30 a.m. and ends at 11:59 p.m.
1798	(b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer at the
1799	licensed premises during the following time periods only:
1800	(i) on a weekday, during the period that beings at 11:30 a.m. and ends at 12:59 a.m.; or
1801	(ii) on a weekend or state or federal legal holiday or for a private event, during the
1802	period that begins at 10:30 a.m. and ends at 12:59 a.m.
1803	(7) A limited-service restaurant licensee shall maintain at least 70% of its total
1804	restaurant business from the sale of food, which does not include a service charge.
1805	(8) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish an
1806	alcoholic product except after the limited-service restaurant licensee confirms that the patron
1807	has the intent to order food prepared, sold, and furnished at the licensed premises.
1808	(b) A limited-service restaurant licensee shall maintain on the licensed premises
1809	adequate culinary facilities for food preparation and dining accommodations.
1810	(9) (a) Subject to the other provisions of this Subsection (9), a patron may not have
1811	more than two alcoholic products of any kind at a time before the patron.
1812	(b) An individual portion of wine is considered to be one alcoholic product under
1813	Subsection (9)(a).
1814	(10) A patron may consume an alcoholic product only:
1815	(a) at:
1816	(i) the patron's table;
1817	(ii) a counter; or
1818	(iii) a seating grandfathered bar structure; and
1819	(b) where food is served.
1820	(11) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish an

(b) At a seating grandfathered bar structure a patron who is 21 years of age or older

alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar

structure that is not a seating grandfathered bar structure.

1824	may:
1825	(i) sit;
1826	(ii) be furnished an alcoholic product; and
1827	(iii) consume an alcoholic product.
1828	(c) Except as provided in Subsection (11)(d), at a seating grandfathered bar structure a
1829	limited-service restaurant licensee may not permit a minor to, and a minor may not:
1830	(i) sit; or
1831	(ii) consume food or beverages.
1832	(d) (i) A minor may be at a seating grandfathered bar structure if the minor is
1833	employed by a limited-service restaurant licensee:
1834	(A) as provided in Subsection 32B-5-308(2); or
1835	(B) to perform maintenance and cleaning services during an hour when the
1836	limited-service restaurant licensee is not open for business.
1837	(ii) A minor may momentarily pass by a seating grandfathered bar structure without
1838	remaining or sitting at the bar structure en route to an area of a limited-service restaurant
1839	licensee's premises in which the minor is permitted to be.
1840	(12) Except as provided in Subsection 32B-5-307(3), a limited-service restaurant
1841	licensee may dispense an alcoholic product only if:
1842	(a) the alcoholic product is dispensed from:
1843	(i) a grandfathered bar structure;
1844	(ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
1845	the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
1846	12, 2009; or
1847	(iii) an area that is:
1848	(A) separated from an area for the consumption of food by a patron by a solid,
1849	translucent, permanent structural barrier such that the facilities for the storage or dispensing of
1850	an alcoholic product are:
1851	(I) not readily visible to a patron; and
1852	(II) not accessible by a patron; and
1853	(B) apart from an area used:
1854	(I) for dining:

1855	(II) for staging; or
1856	(III) as a lobby or waiting area;
1857	(b) the limited-service restaurant licensee uses an alcoholic product that is:
1858	(i) stored in an area described in Subsection (12)(a); or
1859	(ii) in an area not described in Subsection (12)(a) on the licensed premises and:
1860	(A) immediately before the alcoholic product is dispensed it is in an unopened
1861	container;
1862	(B) the unopened container is taken to an area described in Subsection (12)(a) before it
1863	is opened; and
1864	(C) once opened, the container is stored in an area described in Subsection (12)(a); and
1865	(c) any instrument or equipment used to dispense alcoholic product is located in an
1866	area described in Subsection (12)(a).
1867	(13) A limited-service restaurant licensee may state in a food or alcoholic product
1868	menu a charge or fee made in connection with the sale, service, or consumption of wine or
1869	heavy beer including:
1870	(a) a set-up charge;
1871	(b) a service charge; or
1872	(c) a chilling fee.
1873	[(14) In addition to complying with Subsection 32B-5-301(3), a limited-service
1874	restaurant licensee shall display in a conspicuous place at the entrance to the licensed premises
1875	a sign approved by the commission that:]
1876	[(a) measures at least 8-1/2 inches long and 11 inches wide; and]
1877	[(b) clearly states that the limited-service restaurant licensee is a restaurant and not a
1878	bar.]
1879	[(15)] (14) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
1880	beverages within 10 feet of a grandfathered bar structure, unless:
1881	(a) seating within 10 feet of the grandfathered bar structure is the only seating available
1882	in the licensed premises; and
1883	(b) the minor is accompanied by an individual who is 21 years of age or older.
1884	$[\frac{(16)}{(15)}]$ Except as provided in Subsection 32B-6-305.2 $[\frac{(18)}{(16)}]$ and Section
1885	32B-6-305.3, the provisions of this section apply before July 1, 2018.

1886	Section 19. Section 32B-6-305.2 is amended to read:
1887	32B-6-305.2. Specific operational requirements for a limited-service restaurant
1888	license On and after July 1, 2018, or July 1, 2022.
1889	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1890	Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
1891	licensee shall comply with this section.
1892	(b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
1893	accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
1894	(i) a limited-service restaurant licensee;
1895	(ii) individual staff of a limited-service restaurant licensee; or
1896	(iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
1897	licensee.
1898	[(2) In addition to complying with Subsection 32B-5-301(3), a limited-service
1899	restaurant licensee shall display in a conspicuous place at the entrance to the licensed premises
1900	a sign approved by the commission that:]
1901	[(a) measures at least 8-1/2 inches long and 11 inches wide; and]
1902	[(b) clearly states that the limited-service restaurant licensee is a restaurant and not a
1903	bar.]
1904	[(3) In addition to complying with Section 32B-5-303, a limited-service restaurant
1905	licensee shall store an alcoholic product in a storage area described in Subsection (13) (a).]
1906	[4) (a) An individual who serves an alcoholic product in a limited-service
1907	restaurant licensee's premises shall make a beverage tab for each table or group that orders or
1908	consumes an alcoholic product on the premises.
1909	(b) A beverage tab described in this Subsection [(4)] (2) shall state the type and amount
1910	of each alcoholic product ordered or consumed.
1911	[(5)] (3) A limited-service restaurant licensee may not make an individual's willingness
1912	to serve an alcoholic product a condition of employment with a limited-service restaurant
1913	licensee.
1914	[(6)] (4) (a) A limited-service restaurant licensee may sell, offer for sale, or furnish
1915	wine or heavy beer at the licensed premises during the following time periods only:
1916	(i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

1945

1946 1947

premises.

1917	(ii) on a weekend or a state or federal legal holiday or for a private event, during the
1918	period that begins at 10:30 a.m. and ends at 11:59 p.m.
1919	(b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer at the
1920	licensed premises during the following time periods only:
1921	(i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or
1922	(ii) on a weekend or a state or federal legal holiday or for a private event, during the
1923	period that begins at 10:30 a.m. and ends at 12:59 a.m.
1924	[(7)] (5) A limited-service restaurant licensee shall maintain at least 70% of the
1925	limited-service restaurant licensee's total restaurant business from the sale of food, which does
1926	not include a service charge.
1927	[(8)] (6) (a) A limited-service restaurant licensee may not [sell, offer for sale, or]
1928	furnish an alcoholic product except after:
1929	(i) the patron to whom the limited-service restaurant licensee [sells, offers for sale, or]
1930	furnishes the alcoholic product is seated at:
1931	(A) a table that is located in a dining area or a dispensing area;
1932	(B) a counter that is located in a dining area or a dispensing area; or
1933	(C) a dispensing structure that is located in a dispensing area; and
1934	(ii) the limited-service restaurant licensee confirms that the patron intends to:
1935	(A) order food prepared, sold, and furnished at the licensed premises; and
1936	(B) except as provided in Subsection [(8)] (6)(b), consume the food at the same
1937	location where the patron is seated and [sold, offered for sale, or] furnished the alcoholic
1938	product.
1939	(b) (i) While a patron waits for a seat at a table or counter in the dining area of a
1940	limited-service restaurant licensee, the limited-service restaurant licensee may sell, offer for
1941	sale, or furnish to the patron one drink that contains a single portion of an alcoholic product as
1942	described in Section 32B-5-304 if:
1943	(A) the patron is in a dispensing area and seated at a table, counter, or dispensing
1944	structure; and

- 63 -

(B) the limited-service restaurant licensee first confirms that after the patron is seated

in the dining area, the patron intends to order food prepared, sold, and furnished at the licensed

1977

1978

1948 (ii) If the patron does not finish the patron's alcoholic product before moving to a seat 1949 in the dining area, an employee of the limited-service restaurant licensee who is qualified to 1950 sell and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished 1951 portion of the patron's alcoholic product to the patron's seat in the dining area. 1952 (iii) For purposes of Subsection [(8)] (6)(b)(i) a single portion of wine is 5 ounces or 1953 less. 1954 (c) A limited-service restaurant licensee shall maintain on the licensed premises 1955 adequate culinary facilities for food preparation and dining accommodations. 1956 [9] (7) A patron may consume an alcoholic product only if the patron is seated at: 1957 (a) a table that is located in a dining area or a dispensing area; 1958 (b) a counter that is located in a dining area or a dispensing area; or 1959 (c) a dispensing structure located in a dispensing area. $\lceil \frac{(10)}{(10)} \rceil$ (8) (a) Subject to the other provisions of this Subsection $\lceil \frac{(10)}{(10)} \rceil$ (8), a patron may 1960 not have more than two alcoholic products of any kind at a time before the patron. 1961 1962 (b) An individual portion of wine is considered to be one alcoholic product under 1963 Subsection [(10)] (8)(a). 1964 [(11)] (9) In accordance with the provisions of this section, an individual who is at 1965 least 21 years of age may consume food and beverages in a dispensing area. 1966 $[\frac{(12)}{(10)}]$ (10) (a) Except as provided in Subsection $[\frac{(12)}{(10)}]$ (10)(b), a minor may not sit, 1967 remain, or consume food or beverages in a dispensing area. 1968 (b) (i) A minor may be in a dispensing area if the minor is employed by the 1969 limited-service restaurant licensee: 1970 (A) in accordance with Subsection 32B-5-308(2); or 1971 (B) to perform maintenance and cleaning services when the limited-service restaurant 1972 licensee is not open for business. 1973 (ii) If there is no alternative route available, a minor may momentarily pass through a 1974 dispensing area without remaining or sitting in the dispensing area en route to an area of the 1975 limited-service restaurant licensee's premises in which the minor is permitted to be.

[(13)] (11) Except as provided in Subsection 32B-5-307(3), a limited-service restaurant

licensee may dispense an alcoholic product only if:

(a) the alcoholic product is dispensed from:

1979	(i) a dispensing structure that is located in a dispensing area;
1980	(ii) an area that is:
1981	(A) separated from an area for the consumption of food by a patron by a solid,
1982	translucent, permanent structural barrier such that the facilities for the [storage or] dispensing
1983	of an alcoholic product are not readily visible to a patron and not accessible by a patron; and
1984	(B) apart from an area used for dining, for staging, or as a lobby or waiting area; or
1985	(iii) the premises of a bar licensee that is:
1986	(A) owned by the same person or persons as the limited-service restaurant licensee; and
1987	(B) located immediately adjacent to the premises of the limited-service restaurant
1988	licensee; and
1989	[(b) the limited-service restaurant licensee uses an alcoholic product that is stored in an
1990	area described in Subsection (13) (a) or in accordance with Section 32B-5-303; and]
1991	[(c)] (b) any instrument or equipment used to dispense alcoholic product is located in
1992	an area described in Subsection [(13)] (11)(a).
1993	[(14)] (12) (a) A limited-service restaurant licensee may have more than one
1994	dispensing area in the licensed premises.
1995	(b) Each dispensing area in a licensed premises may satisfy the requirements for a
1996	dispensing area under Subsection 32B-6-202(2)(a)(i), (ii), or (iii), regardless of how any other
1997	dispensing area in the licensed premises satisfies the requirements for a dispensing area.
1998	[(15)] (13) A limited-service restaurant licensee may not:
1999	(a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or
2000	(b) display an alcoholic product or a product intended to appear like an alcoholic
2001	product by moving a cart or similar device around the licensed premises.
2002	[(16)] (14) A limited-service restaurant licensee may state in a food or alcoholic
2003	product menu a charge or fee made in connection with the sale, service, or consumption of
2004	wine or heavy beer, including:
2005	(a) a set-up charge;
2006	(b) a service charge; or
2007	(c) a chilling fee.
2008	[(17)] (15) (a) In addition to the requirements described in Section 32B-5-302, a
2009	limited-service restaurant licensee shall maintain each of the following records for at least three

2010	years:
2011	(i) a record required by Section 32B-5-302; and
2012	(ii) a record that the commission requires a limited-service restaurant licensee to use or
2013	maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2014	Rulemaking Act.
2015	(b) The department shall audit the records of a limited-service restaurant licensee at
2016	least once each calendar year.
2017	[(18)] (16) (a) In accordance with Section 32B-6-305.3, a limited-service restaurant
2018	licensee:
2019	(i) may comply with the provisions of this section beginning on or after July 1, 2017;
2020	and
2021	(ii) shall comply with the provisions of this section:
2022	(A) for a limited-service restaurant licensee that does not have a grandfathered bar
2023	structure, on and after July 1, 2018; or
2024	(B) for a limited-service restaurant licensee that has a grandfathered bar structure, on
2025	and after July 1, 2022.
2026	(b) A limited-service restaurant licensee that elects to comply with the provisions of
2027	this section before the latest applicable date described in Subsection [(18)] (16)(a)(ii):
2028	(i) shall comply with each provision of this section; and
2029	(ii) is not required to comply with the provisions of Section 32B-6-305.
2030	Section 20. Section 32B-6-305.4 is enacted to read:
2031	32B-6-305.4. Small limited-service restaurant licensee Exemption.
2032	(1) Notwithstanding the provisions of Section 32B-6-305 or 32B-6-305.2 and subject
2033	to Subsection (2), a minor may sit, remain, or consume food or beverages in the dispensing
2034	area of a small limited-service restaurant licensee if:
2035	(a) seating in the dispensing area is the only seating available for patrons on the
2036	licensed premises;
2037	(b) the minor is accompanied by an individual who is 21 years of age or older; and
2038	(c) the small limited-service restaurant licensee applies for and obtains approval from
2039	the department to seat minors in the dispensing area in accordance with this section.
2040	(2) A minor may not sit, remain, or consume food or beverages at a dispensing

2041	structure.
2042	(3) The department shall:
2043	(a) grant an approval described in Subsection (1)(c) if the small limited-service
2044	restaurant licensee demonstrates that the small limited-service restaurant licensee meets the
2045	requirements described in Subsection 32B-6-302(5); and
2046	(b) for each application described in Subsection (1)(c) that the department receives on
2047	or before May 8, 2018, act on the application on or before July 1, 2018.
2048	Section 21. Section 32B-6-403 is amended to read:
2049	32B-6-403. Commission's power to issue bar establishment license.
2050	(1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
2051	an alcoholic product on its premises as a bar establishment licensee, the person shall first
2052	obtain a bar establishment license from the commission in accordance with this part.
2053	(2) The commission may issue a bar establishment license to establish bar
2054	establishment licensed premises at places and in numbers the commission considers proper for
2055	the storage, sale, offer for sale, furnishing, and consumption of an alcoholic product on
2056	premises operated by a bar establishment licensee.
2057	(3) Subject to Section 32B-1-201:
2058	(a) (i) before July 1, 2018, the commission may not issue a total number of bar
2059	establishment licenses that at any time exceeds the number determined by dividing the
2060	population of the state by 7,850; and
2061	(ii) beginning on July 1, 2018, the commission may not issue a total number of bar
2062	establishment licenses that at any time exceeds the number determined by dividing the
2063	population of the state by $[10,538]$ $\underline{10,200}$;
2064	(b) the commission may issue a seasonal bar establishment license in accordance with
2065	Section 32B-5-206 to:
2066	(i) a dining club licensee; or
2067	(ii) a bar licensee;
2068	(c) (i) if the location, design, and construction of a hotel may require more than one
2069	dining club license or bar license location within the hotel to serve the public convenience, the
2070	commission may authorize as many as three bar establishment license locations within the
2071	hotel under one bar establishment license if:

2072	(A) the hotel has a minimum of 150 guest rooms;
2073	(B) all locations under the bar establishment license are:
2074	(I) within the same hotel; and
2075	(II) on premises that are managed or operated, and owned or leased, by the bar
2076	establishment licensee; and
2077	(C) the locations under the bar establishment license operate under the same type of bar
2078	establishment license; and
2079	(ii) a facility other than a hotel shall have a separate bar establishment license for each
2080	bar establishment license location where an alcoholic product is sold, offered for sale, or
2081	furnished;
2082	(d) when a business establishment undergoes a change of ownership, the commission
2083	may issue a bar establishment license to the new owner of the business establishment
2084	notwithstanding that there is no bar establishment license available under Subsection (3)(a) if:
2085	(i) the primary business activity at the business establishment before and after the
2086	change of ownership is not the sale, offer for sale, or furnishing of an alcoholic product;
2087	(ii) before the change of ownership there are two or more licensed premises on the
2088	business establishment that operate under a retail license, with at least one of the retail licenses
2089	being a bar establishment license;
2090	(iii) subject to Subsection (3)(e), the licensed premises of the bar establishment license
2091	issued under this Subsection (3)(d) is at the same location where the bar establishment license
2092	licensed premises was located before the change of ownership; and
2093	(iv) the person who is the new owner of the business establishment qualifies for the bar
2094	establishment license, except for there being no bar establishment license available under
2095	Subsection (3)(a); and
2096	(e) if a bar establishment licensee of a bar establishment license issued under
2097	Subsection (3)(d) requests a change of location, the bar establishment licensee may retain the
2098	bar establishment license after the change of location only if on the day on which the bar
2099	establishment licensee seeks a change of location a bar establishment license is available under
2100	Subsection (3)(a).
2101	Section 22. Section 32B-6-404 is amended to read:

32B-6-404. Types of bar license.

2103	(1) To obtain an equity license, in addition to meeting the other requirements of this
2104	part, a person shall:
2105	(a) whether incorporated or unincorporated:
2106	(i) be organized and operated solely for a social, recreational, patriotic, or fraternal
2107	purpose;
2108	(ii) have members;
2109	(iii) limit access to its licensed premises to a member or a guest of the member; and
2110	(iv) desire to maintain premises upon which an alcoholic product may be stored, sold
2111	to, offered for sale to, furnished to, and consumed by a member or a guest of a member;
2112	(b) own, maintain, or operate a substantial recreational facility in conjunction with a
2113	club house such as:
2114	(i) a golf course; or
2115	(ii) a tennis facility;
2116	(c) have at least 50% of the total membership having[:(i) full voting rights; and (ii)] an
2117	equal share of the equity of the entity or a right to redemption or refund at the equal value; and
2118	(d) if there is more than one class of membership, have at least one class of
2119	membership that entitles each member in that class to [:(i) full voting rights; and(ii)] an equal
2120	share of the equity of the entity or a right to redemption or refund at the equal value.
2121	(2) To obtain a fraternal license, in addition to meeting the other requirements of this
2122	part, a person shall:
2123	(a) whether incorporated or unincorporated:
2124	(i) be organized and operated solely for a social, recreational, patriotic, or fraternal
2125	purpose;
2126	(ii) have members;
2127	(iii) limit access to its licensed premises to a member or a guest of the member; and
2128	(iv) desire to maintain premises upon which an alcoholic product may be stored, sold
2129	to, offered for sale to, furnished to, and consumed by a member or a guest of a member;
2130	(b) have no capital stock;
2131	(c) exist solely for:
2132	(i) the benefit of its members and their beneficiaries; and
2133	(ii) a lawful social, intellectual, educational, charitable, benevolent, moral, fraternal,

2134	patriotic, or religious purpose for the benefit of its members of the public, carried on through
2135	voluntary activity of its members in their local lodges;
2136	(d) have a representative form of government;
2137	(e) have a lodge system in which:
2138	(i) there is a supreme governing body;
2139	(ii) subordinate to the supreme governing body are local lodges, however designated,
2140	into which individuals are admitted as members in accordance with the laws of the fraternal;
2141	(iii) the local lodges are required by the laws of the fraternal to hold regular meetings at
2142	least monthly; and
2143	(iv) the local lodges regularly engage in one or more programs involving member
2144	participation to implement the purposes of Subsection (2)(c); and
2145	(f) own or lease a building or space in a building used for lodge activities.
2146	(3) To obtain a dining club license, in addition to meeting the other requirements of
2147	this part, a person shall:
2148	(a) maintain at least the following percentages of its total club business from the sale of
2149	food, not including mix for alcoholic products, or service charges:
2150	(i) for a dining club license that is issued as an original license on or after July 1, 2011,
2151	60%; and
2152	(ii) for a dining club license that is issued on or before June 30, 2011:
2153	(A) 50% on or before June 30, 2012; and
2154	(B) 60% on and after July 1, 2012; and
2155	(b) obtain a determination by the commission that the person will operate as a dining
2156	club licensee, as part of which the commission may consider:
2157	(i) the square footage and seating capacity of the premises;
2158	(ii) what portion of the square footage and seating capacity will be used for a dining
2159	area in comparison to the portion that will be used as a lounge or bar area;
2160	(iii) whether full meals including appetizers, main courses, and desserts are served;
2161	(iv) whether the person will maintain adequate on-premise culinary facilities to prepare
2162	full meals, except a person who is located on the premise of a hotel or resort facility may use
2163	the culinary facilities of the hotel or resort facility;
2164	(v) whether the entertainment provided at the premises is suitable for minors; and

2193

21942195

restaurant license on July 1, 2018.

2165	(vi) the club management's ability to manage and operate a dining club license
2166	including:
2167	(A) management experience;
2168	(B) past dining club licensee or restaurant management experience; and
2169	(C) the type of management scheme used by the dining club license.
2170	(4) To obtain a bar license, a person is required to meet the requirements of this part
2171	except those listed in Subsection (1), (2), or (3).
2172	(5) (a) At the time that the commission issues a bar establishment license, the
2173	commission shall designate the type of bar establishment license for which the person qualifies
2174	(b) If requested by a bar establishment licensee, the commission may approve a change
2175	in the type of bar establishment license in accordance with rules made by the commission.
2176	(6) To the extent not prohibited by law, this part does not prevent a dining club
2177	licensee or bar licensee from restricting access to the licensed premises on the basis of an
2178	individual:
2179	(a) paying a fee; or
2180	(b) agreeing to being on a list of individuals who have access to the licensed premises.
2181	(7) (a) (i) On or after July 1, 2017, the commission may not issue or renew a dining
2182	club license.
2183	(ii) [Effective] No later than July 1, 2018, the department shall convert each dining
2184	club license to a full-service restaurant license or a bar license in accordance with the
2185	provisions of this Subsection (7).
2186	(b) (i) (A) A person licensed as a dining club on July 1, 2017, shall notify the
2187	department no later than May 31, 2018, whether [effective July 1, 2018,] the person elects to be
2188	licensed as a full-service restaurant or a bar.
2189	(B) [Effective] No later than July 1, 2018, the department shall convert a dining club
2190	license to a full-service restaurant license or a bar license in accordance with the dining club
2191	licensee's election under Subsection (7)(b)(i)(A).
2192	(ii) If a dining club licensee fails to timely notify the department in accordance with

(c) Subject to Section 32B-6-404.1, after a dining club license converts to a full-service

Subsection (7)(b)(i), the dining club license is automatically converted to a full-service

2201

2202

2203

2204

22052206

2207

2208

22092210

2217

2218

2219

2220

2221

2222

2223

2224

2225

- restaurant license or a bar license, the retail licensee shall operate under the provisions that govern the full-service restaurant license or the bar license, as applicable.
- 2198 (d) After a dining club license converts to a full-service restaurant license or a bar 2199 license in accordance with this Subsection (7):
 - (i) the full-service restaurant license is not considered in determining the total number of full-service restaurant licenses available under Section 32B-6-203; or
 - (ii) the bar license is not considered in determining the total number of bar establishment licenses available under Section 32B-6-403.
 - (e) [Before] Except as provided in Subsections (7)(a) and (b), before July 1, 2018, the commission may not issue a full-service restaurant license, a limited-service restaurant license, or a beer-only restaurant license to a person who holds a dining club license on May 9, 2017, for the same premises.
 - (f) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules establishing a procedure by which a dining club licensee elects and converts to a full-service restaurant licensee or a bar licensee under this Subsection (7).
- Section 23. Section **32B-6-404.1** is amended to read:
- 2212 32B-6-404.1. Transition from dining club license to full-service restaurant license.
- 2213 (1) As used in this section:
- 2214 (a) "Converted full-service restaurant licensee" means a dining club licensee that converts to a full-service restaurant licensee on <u>or before</u> July 1, 2018, in accordance with Subsection 32B-6-404(7).
 - (b) "Grandfathered bar structure" means the same as that term is defined in Section 32B-6-202.
 - (2) (a) Except as provided in Subsection (2)(c)[, beginning on July 1, 2018] and subject to the provisions of this section, a converted full-service restaurant licensee shall operate under the provisions that govern a full-service restaurant licensee that has a grandfathered bar structure.
 - (b) For purposes of applying the provisions that govern a full-service restaurant licensee with a grandfathered bar structure, a converted full-service restaurant licensee's bar structure is considered a grandfathered bar structure.
- (c) The provisions of Section 32B-6-205.3 do not apply to a converted full-service

2227	restaurant licensee.
2228	(3) (a) A converted full-service restaurant licensee shall comply with the provisions of
2229	Section 32B-6-205.2 on or before the earlier of:
2230	(i) July 1, 2022;
2231	(ii) the date on which the converted full-service restaurant licensee remodels, as
2232	defined by commission rule made in accordance with Title 63G, Chapter 3, Utah
2233	Administrative Rulemaking Act, the converted full-service restaurant licensee's bar structure or
2234	dining area; or
2235	(iii) the date on which the converted full-service restaurant licensee experiences a
2236	change of ownership described in Subsection 32B-8a-202(1).
2237	(b) Before a converted full-service restaurant licensee changes the converted
2238	full-service restaurant licensee's approved location for storage, dispensing, or consumption to
2239	comply with the provisions of Section 32B-6-205.2, the converted full-service restaurant
2240	licensee shall submit an application for approval to the department in accordance with
2241	Subsection 32B-5-303(3).
2242	(c) A converted full-service restaurant licensee that cannot comply with the provisions
2243	of Section 32B-6-205.2 without a change to the converted full-service restaurant licensee's
2244	approved location for storage, dispensing, or consumption shall submit an application for
2245	approval described in Subsection (3)(b) on or before May 1, 2022.
2246	(4) (a) Notwithstanding any provision to the contrary, a converted full-service
2247	restaurant licensee shall maintain at least the following percentage of the converted full-service
2248	restaurant licensee's total restaurant business from the sale of food:
2249	(i) beginning [July 1, 2018] the day on which the licensee becomes a converted
2250	full-service restaurant licensee, and ending June 30, 2019, 64%;
2251	(ii) beginning July 1, 2019, and ending June 30, 2020, 68%; and
2252	(iii) on and after July 1, 2021, 70%.
2253	(b) For purposes of Subsection (4)(a), a converted full-service restaurant licensee's
2254	restaurant business from the sale of food does not include:
2255	(i) mix for an alcoholic product; or
2256	(ii) a service charge.

Section 24. Section **32B-6-406** is amended to read:

license.

2258	32B-6-406. Specific operational requirements for a bar establishment license.
2259	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2260	Requirements, a bar establishment licensee and staff of the bar establishment licensee shall
2261	comply with this section.
2262	(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2263	in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
2264	(i) a bar establishment licensee;
2265	(ii) individual staff of a bar establishment licensee; or
2266	(iii) both a bar establishment licensee and staff of the bar establishment licensee.
2267	(2) In addition to complying with Subsection 32B-5-301(3), a bar licensee shall display
2268	in a conspicuous place at the entrance to the licensed premises a sign [approved by the
2269	commission] that:
2270	(a) measures at least 8-1/2 inches long and 11 inches wide; and
2271	(b) clearly states that the bar licensee is a bar and [not a restaurant] that no one under
2272	21 years of age is allowed.
2273	(3) (a) In addition to complying with Section 32B-5-302, a bar establishment licensee
2274	shall maintain for a minimum of three years:
2275	(i) a record required by Section 32B-5-302; and
2276	(ii) a record maintained or used by the bar establishment licensee, as the department
2277	requires.
2278	(b) Section 32B-1-205 applies to a record required to be made, maintained, or used in
2279	accordance with this Subsection (3).
2280	(c) The department shall audit the records of a bar establishment licensee at least once
2281	annually.
2282	(4) (a) A bar establishment licensee may not sell, offer for sale, or furnish liquor on the
2283	licensed premises on any day during a period that:
2284	(i) begins at 1 a.m.; and
2285	(ii) ends at 9:59 a.m.
2286	(b) A bar establishment licensee may sell, offer for sale, or furnish beer during the
2287	hours specified in Part 7, On-Premise Beer Retailer License, for an on-premise beer retailer

2289	(c) (i) Notwithstanding Subsections (4)(a) and (b), a bar establishment licensee shall
2290	keep its licensed premises open for one hour after the bar establishment licensee ceases the sale
2291	and furnishing of an alcoholic product during which time a patron of the bar establishment
2292	licensee may finish consuming:
2293	(A) a single drink containing spirituous liquor;
2294	(B) a single serving of wine not exceeding five ounces;
2295	(C) a single serving of heavy beer;
2296	(D) a single serving of beer not exceeding 26 ounces; or
2297	(E) a single serving of a flavored malt beverage.
2298	(ii) A bar establishment licensee is not required to remain open:
2299	(A) after all patrons have vacated the premises; or
2300	(B) during an emergency.
2301	(5) (a) A minor may not be admitted into, use, or be in:
2302	(i) a lounge or bar area of the premises of:
2303	(A) an equity licensee;
2304	(B) a fraternal licensee; or
2305	(C) a dining club licensee; or
2306	(ii) the premises of:
2307	(A) a dining club licensee unless accompanied by an individual who is 21 years of age
2308	or older; or
2309	(B) a bar licensee, except to the extent provided for under Section 32B-6-406.1.
2310	(b) Notwithstanding Section 32B-5-308, a bar establishment licensee may not employ a
2311	minor to:
2312	(i) work in a lounge or bar area of an equity licensee, fraternal licensee, or dining club
2313	licensee; or
2314	(ii) handle an alcoholic product.
2315	(c) Notwithstanding Section 32B-5-308, a minor may not be employed on the licensed
2316	premises of a bar licensee.
2317	(d) Nothing in this part or Section 32B-5-308 precludes a local authority from being
2318	more restrictive of a minor's admittance to, use of, or presence on the licensed premises of a bar
2319	establishment licensee

2321

2322

2323

2324

2325

2326

2327

2328

23292330

2331

2332

2333

2334

23362337

2338

2339

2340

2341

2342

2343

2344

2345

2346

2347

- (6) A bar establishment licensee shall have food available at all times when an alcoholic product is sold, offered for sale, furnished, or consumed on the licensed premises.

 (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have
- (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have more than two alcoholic products of any kind at a time before the patron.
- (b) A patron may not have two spirituous liquor drinks before the bar establishment licensee patron if one of the spirituous liquor drinks consists only of the primary spirituous liquor for the other spirituous liquor drink.
- (c) An individual portion of wine is considered to be one alcoholic product under Subsection (7)(a).
- (8) A bar establishment licensee shall have available on the premises for a patron to review at the time that the patron requests it, a written alcoholic product price list or a menu containing the price of an alcoholic product sold, offered for sale, or furnished by the bar establishment licensee including:
 - (a) a set-up charge;
- (b) a service charge; or
- 2335 (c) a chilling fee.
 - (9) Subject to Section 32B-5-309, a bar establishment licensee may not temporarily rent or otherwise temporarily lease its premises to a person unless:
 - (a) the person to whom the bar establishment licensee rents or leases the premises agrees in writing to comply with this title as if the person is the bar establishment licensee, except for a requirement related to making or maintaining a record; and
 - (b) the bar establishment licensee takes reasonable steps to ensure that the person complies with this section as provided in Subsection (9)(a).
 - (10) If a bar establishment licensee is an equity licensee or fraternal licensee, the bar establishment licensee shall comply with Section 32B-6-407.
 - (11) If a bar establishment licensee is a dining club licensee or bar licensee, the bar establishment licensee shall comply with Section 32B-1-407.
 - (12) (a) A bar establishment licensee shall own or lease premises suitable for the bar establishment licensee's activities.
- 2349 (b) A bar establishment licensee may not maintain licensed premises in a manner that barricades or conceals the bar establishment licensee's operation.

2351	Section 25. Section 32B-6-409 is amended to read:
2352	32B-6-409. Conversion from dining club license to different type of retail license.
2353	(1) In accordance with this section, a dining club licensee may convert its dining club
2354	license to a different type of retail license, including a different type of club license during the
2355	time period:
2356	(a) beginning on July 1, 2011; and
2357	(b) ending on June 30, 2013.
2358	(2) A dining club licensee may convert its dining license only to a retail license for
2359	which the dining club licensee qualifies.
2360	(3) The commission shall provide a procedure for a dining club to convert to a different
2361	type of retail license as provided in this section by rule made in accordance with Title 63G,
2362	Chapter 3, Utah Administrative Rulemaking Act.
2363	(4) After a dining club license is converted to another type of retail license, the retail
2364	licensee shall operate under the provisions relevant to the type of retail license held by the retail
2365	licensee[, except that, in accordance with Section 32B-1-201, the retail license is not
2366	considered in determining the total number of licenses available for that type of retail license].
2367	(5) If a dining club license is converted to full-service restaurant license,
2368	limited-service restaurant license, or beer-only restaurant license, the bar structure of the dining
2369	club is considered:
2370	(a) a seating grandfathered bar structure for purposes of a full-service restaurant license
2371	or a limited-service restaurant license; or
2372	(b) a grandfathered bar structure for purposes of a beer-only restaurant license.
2373	Section 26. Section 32B-6-503 is amended to read:
2374	32B-6-503. Commission's power to issue airport lounge license.
2375	(1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
2376	an alcoholic product on its premises as an airport lounge licensee, the person shall first obtain
2377	an airport lounge license from the commission in accordance with this part.
2378	(2) The commission may issue an airport lounge license to establish airport lounge
2379	licensed premises beyond the security point at an international airport and in the numbers the
2380	commission considers proper for the storage, sale, offer for sale, furnishing, and consumption
2381	of an alcoholic product on licensed premises operated as an airport lounge.

(3) (a) The commission may not issue a total number of airport lounge licenses for an
international airport that at any time exceed one airport lounge license for each [2,500,000]
1,750,000 of total passengers at the international airport.
(b) Notwithstanding Subsection (3)(a), the commission may not reduce the total
number of airport lounge licenses unless:
(i) the commission determines that the number of total passengers is reduced by more
than 25% from the last day on which the commission determined the total number of airport
lounge licenses allowed for that international airport under this Subsection (3); and
(ii) the reduction can be accomplished without the international airport terminating a
lease for an airport lounge before:
(A) the expiration of the lease;
(B) the airport lounge undergoes a change of ownership; or
(C) the airport lounge ceases operations.
Section 27. Section 32B-6-605.1 is enacted to read:
32B-6-605.1. Department study Rulemaking authority.
(1) The department shall:
(a) study the use of banquet catering contracts and the operation of on-premise banquet
licenses under the provisions of this part; and
(b) no later than November 30, 2018, submit a written report to the Business and Labor
Interim Committee that:
(i) identifies any issues the department discovers during the study described in
Subsection (1)(a); and
(ii) recommends possible legislative solutions to the issues, if any.
(2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
commission may make rules establishing:
(a) required terms in a contract between the host of a banquet and an on-premise
banquet licensee; and
(b) size requirements for a location of a banquet.
Section 28. Section 32B-6-902 is amended to read:
32B-6-902. Definitions.
(1) As used in this part:

24412442

2443

beer-only restaurant; or

2413	(a) (i) "Dining area" means an area in the licensed premises of a beer-only restaurant
2414	licensee that is primarily used for the service and consumption of food by one or more patrons.
2415	(ii) "Dining area" does not include a dispensing area.
2416	(b) (i) "Dispensing area" means an area in the licensed premises of a beer-only
2417	restaurant licensee where a dispensing structure is located and that:
2418	(A) is physically separated from the dining area and any waiting area by a structure or
2419	other barrier that prevents a patron seated in the dining area or a waiting area from viewing the
2420	dispensing of beer;
2421	(B) except as provided in Subsection (1)(b)(ii), measures at least 10 feet from [any area
2422	where beer is dispensed to] the dining area and any waiting area[, measured from the point of
2423	the area where beer is dispensed that is closest to the dining area or waiting area] to the nearest
2424	edge of the dispensing structure; or
2425	(C) is physically separated from the dining area and any waiting area by a permanent
2426	physical structure that complies with the provisions of Title 15A, State Construction and Fire
2427	Codes Act, and, to the extent allowed under Title 15A, State Construction and Fire Codes Act,
2428	measures at least 42 inches high, and at least 60 inches from the inside edge of the barrier to
2429	the nearest edge of the dispensing structure.
2430	(ii) "Dispensing area" does not include any area described in Subsection (1)(b)(i)(B)
2431	that is less than 10 feet from an area where alcoholic product is dispensed, but from which a
2432	patron seated at a table or counter cannot view the dispensing of alcoholic product.
2433	(c) "Grandfathered bar structure" means a bar structure in a licensed premises of a
2434	beer-only restaurant licensee that:
2435	(i) was licensed as an on-premise beer retailer as of August 1, 2011, and as of August
2436	1, 2011:
2437	(A) is operational;
2438	(B) has facilities for the dispensing or storage of an alcoholic product that do not meet
2439	the requirements of Subsection 32B-6-905(12)(a)(ii); and
2440	(C) in accordance with Subsection 32B-6-703(2)(e), notifies the department that

effective March 1, 2012, the on-premise beer retailer licensee will seek to be licensed as a

(ii) is a bar structure grandfathered under Section 32B-6-409.

2444	(d) "Grandfathered bar structure" does not include a grandfathered bar structure
2445	described in Subsection (1)(a) on or after the day on which a restaurant remodels the
2446	grandfathered bar structure, as defined by rule made by the commission.
2447	(e) "Small beer-only restaurant licensee" means a beer-only restaurant licensee that has
2448	a grandfathered bar structure whose dispensing area includes more than two-thirds of the
2449	available seating for patrons on the licensed premises:
2450	(i) when measured in accordance with Subsection (1)(b)(i)(B); and
2451	(ii) based on the licensee's floor plan on file with the department on July 1, 2017.
2452	[(e)] (f) "Waiting area" includes a lobby.
2453	(2) Subject to Subsection (1)(d), a grandfathered bar structure remains a grandfathered
2454	bar structure notwithstanding whether a restaurant undergoes a change of ownership.
2455	Section 29. Section 32B-6-905 is amended to read:
2456	32B-6-905. Specific operational requirements for a beer-only restaurant license
2457	Before July 1, 2018, or July 1, 2022.
2458	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2459	Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
2460	shall comply with this section.
2461	(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2462	in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
2463	(i) a beer-only restaurant licensee;
2464	(ii) individual staff of a beer-only restaurant licensee; or
2465	(iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.
2466	(2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
2467	sale, furnish, or allow consumption of liquor.
2468	(b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:
2469	(i) as a flavoring on a dessert; and
2470	(ii) in the preparation of a flaming food dish, drink, or dessert.
2471	(3) In addition to complying with Section 32B-5-303, a beer-only restaurant licensee
2472	shall store beer in a storage area described in Subsection (12)(a).
2473	(4) (a) An individual who serves beer in a beer-only restaurant licensee's premises shall
2474	make a written beverage tab for each table or group that orders or consumes an alcoholic

2503

25042505

(i) sit;

(ii) be furnished a beer; and

(iii) consume a beer.

2475	product on the premises.
2476	(b) A beverage tab required by this Subsection (4) shall list the type and amount of
2477	beer ordered or consumed.
2478	(5) A person's willingness to serve beer may not be made a condition of employment as
2479	a server with a beer-only restaurant licensee.
2480	(6) A beer-only restaurant licensee may sell, offer for sale, or furnish beer at the
2481	licensed premises during the following time periods only:
2482	(a) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or
2483	(b) on a weekend or a state or federal legal holiday or for a private event, during the
2484	period that begins at 10:30 a.m. and ends at 12:59 a.m.
2485	(7) A beer-only restaurant licensee shall maintain at least 70% of its total restaurant
2486	business from the sale of food, which does not include a service charge.
2487	(8) (a) A beer-only restaurant may not sell, offer for sale, or furnish beer except after
2488	the beer-only restaurant licensee confirms that the patron has the intent to order food prepared,
2489	sold, and furnished at the licensed premises.
2490	(b) A beer-only restaurant shall maintain on the licensed premises adequate culinary
2491	facilities for food preparation and dining accommodations.
2492	(9) A patron may not have more than two beers at a time before the patron.
2493	(10) A patron may consume a beer only:
2494	(a) at:
2495	(i) the patron's table;
2496	(ii) a grandfathered bar structure; or
2497	(iii) a counter; and
2498	(b) where food is served.
2499	(11) (a) A beer-only restaurant licensee may not sell, offer for sale, or furnish a beer to
2500	a patron, and a patron may not consume an alcoholic product at a bar structure.
2501	(b) Notwithstanding Subsection (11)(a), at a grandfathered bar structure, a patron who
2502	is 21 years of age or older may:

2506	(c) Except as provided in Subsection (11)(d), at a grandfathered bar structure, a
2507	beer-only restaurant licensee may not permit a minor to, and a minor may not:
2508	(i) sit; or
2509	(ii) consume food or beverages.
2510	(d) (i) A minor may be at a grandfathered bar structure if the minor is employed by a
2511	beer-only restaurant licensee:
2512	(A) as provided in Subsection 32B-5-308(2); or
2513	(B) to perform maintenance and cleaning services during an hour when the beer-only
2514	restaurant licensee is not open for business.
2515	(ii) A minor may momentarily pass by a grandfathered bar structure without
2516	remaining or sitting at the bar structure en route to an area of a beer-only restaurant licensee's
2517	premises in which the minor is permitted to be.
2518	(12) A beer-only restaurant licensee may dispense a beer only if:
2519	(a) the beer is dispensed from an area that is:
2520	(i) a grandfathered bar structure; or
2521	(ii) separated from an area for the consumption of food by a patron by a solid,
2522	translucent, permanent structural barrier such that the facilities for the storage or dispensing of
2523	an alcoholic product are not readily visible to a patron, not accessible by a patron, and apart
2524	from an area used for dining, for staging, or as a lobby or waiting area;
2525	(b) the beer-only restaurant licensee uses a beer that is:
2526	(i) stored in an area described in Subsection (12)(a); or
2527	(ii) in an area not described in Subsection (12)(a) on the licensed premises and:
2528	(A) immediately before the beer is dispensed it is in an unopened container;
2529	(B) the unopened container is taken to an area described in Subsection (12)(a) before it
2530	is opened; and
2531	(C) once opened, the container is stored in an area described in Subsection (12)(a); and
2532	(c) any instrument or equipment used to dispense the beer is located in an area
2533	described in Subsection (12)(a).
2534	[(13) In addition to complying with Subsection 32B-5-301(3), a beer-only restaurant
2535	licensee shall display in a conspicuous place at the entrance to the licensed premises a sign
2536	approved by the commission that:

2537

2538	[(b) clearly states that the beer-only restaurant licensee is a restaurant and not a bar.]
2539	[(14)] (13) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
2540	beverages within 10 feet of a grandfathered bar structure, unless:
2541	(a) seating within 10 feet of the grandfathered bar structure is the only seating available
2542	in the licensed premises; and
2543	(b) the minor is accompanied by an individual who is 21 years of age or older.
2544	[(15)] (14) Except as provided in Subsection 32B-6-905.1[(18)](16) and Section
2545	32B-6-905.2, the provisions of this section apply before July 1, 2018.
2546	Section 30. Section 32B-6-905.1 is amended to read:
2547	32B-6-905.1. Specific operational requirements for a beer-only restaurant license
2548	On and after July 1, 2018, or July 1, 2022.
2549	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2550	Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
2551	shall comply with this section.
2552	(b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
2553	accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
2554	(i) a beer-only restaurant licensee;
2555	(ii) individual staff of a beer-only restaurant licensee; or
2556	(iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.
2557	(2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
2558	sale, furnish, or allow consumption of liquor.
2559	(b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:
2560	(i) as a flavoring on a dessert; and
2561	(ii) in the preparation of a flaming food dish, drink, or dessert.
2562	[(3) In addition to complying with Section 32B-5-303, a beer-only restaurant licensee
2563	shall store beer in a storage area described in Subsection (13)(a).]
2564	[(4)] (3) (a) An individual who serves beer in a beer-only restaurant licensee's premises
2565	shall make a beverage tab for each table or group that orders or consumes an alcoholic product
2566	on the premises.
2567	(b) A beverage tab described in this Subsection [(4)] (3) shall state the type and amount

[(a) measures at least 8-1/2 inches long and 11 inches wide; and]

25972598

premises.

2568	of each alcoholic product ordered or consumed.
2569	[(5)] (4) A beer-only restaurant licensee may not make an individual's willingness to
2570	serve beer a condition of employment as a server with a beer-only restaurant licensee.
2571	[(6)] (5) A beer-only restaurant licensee may sell, offer for sale, or furnish beer at the
2572	licensed premises during the following time periods only:
2573	(a) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or
2574	(b) on a weekend or a state or federal legal holiday or for a private event, during the
2575	period that begins at 10:30 a.m. and ends at 12:59 a.m.
2576	[(7)] <u>(6)</u> A beer-only restaurant licensee shall maintain at least 70% of the beer-only
2577	restaurant licensee's total restaurant business from the sale of food, which does not include a
2578	service charge.
2579	[(8)] (7) (a) A beer-only restaurant licensee may not [sell, offer for sale, or] furnish
2580	beer except after:
2581	(i) the patron to whom the beer-only restaurant licensee [sells, offers for sale, or]
2582	furnishes the beer is seated at:
2583	(A) a table that is located in a dining area or a dispensing area;
2584	(B) a counter that is located in a dining area or a dispensing area; or
2585	(C) a dispensing structure that is located in a dispensing area; and
2586	(ii) the beer-only restaurant licensee confirms that the patron intends to:
2587	(A) order food prepared, sold, and furnished at the licensed premises; and
2588	(B) except as provided in Subsection [(8)] (7) (b), consume the food at the same
2589	location where the patron is seated and [sold, offered for sale, or] furnished the beer.
2590	(b) (i) While a patron waits for a seat at a table or counter in the dining area of a
2591	beer-only restaurant licensee, the beer-only restaurant licensee may sell, offer for sale, or
2592	furnish to the patron one portion of beer as described in Section 32B-5-304 if:
2593	(A) the patron is in a dispensing area and seated at a table, counter, or dispensing
2594	structure; and
2595	(B) the beer-only restaurant licensee first confirms that after the patron is seated in the

(ii) If the patron does not finish the patron's beer before moving to a seat in the dining

dining area, the patron intends to order food prepared, sold, and furnished at the licensed

2599	area, an employee of the beer-only restaurant licensee who is qualified to sell and serve an
2600	alcoholic product under Section 32B-5-306 shall transport any unfinished portion of the
2601	patron's beer to the patron's seat in the dining area.
2602	(c) A beer-only restaurant licensee shall maintain on the licensed premises adequate
2603	culinary facilities for food preparation and dining accommodations.
2604	[(9)] (8) A patron may consume a beer only at:
2605	(a) a table that is located in a dining area or a dispensing area;
2606	(b) a counter that is located in a dining area or a dispensing area; or
2607	(c) a dispensing structure located in a dispensing area.
2608	[(10)] (9) A patron may not have more than two beers at a time before the patron.
2609	[(11)] (10) In accordance with the provisions of this section, an individual who is at
2610	least 21 years of age may consume food and beverages in a dispensing area.
2611	[(12)] (11) (a) Except as provided in Subsection $[(12)]$ (11) (b) , a minor may not sit,
2612	remain, or consume food or beverages in a dispensing area.
2613	(b) (i) A minor may be in a dispensing area if the minor is employed by the beer-only
2614	restaurant licensee:
2615	(A) in accordance with Subsection 32B-5-308(2); or
2616	(B) to perform maintenance and cleaning services when the beer-only restaurant
2617	licensee is not open for business.
2618	(ii) If there is no alternative route available, a minor may momentarily pass through a
2619	dispensing area without remaining or sitting in the dispensing area en route to an area of the
2620	beer-only restaurant licensee's premises in which the minor is permitted to be.
2621	[(13)] (12) A beer-only restaurant licensee may dispense a beer only if:
2622	(a) the beer is dispensed from:
2623	(i) a dispensing structure that is located in a dispensing area;
2624	(ii) an area that is:
2625	(A) separated from an area for the consumption of food by a patron by a solid,
2626	translucent, permanent structural barrier such that the facilities for the [storage or] dispensing
2627	of an alcoholic product are not readily visible to a patron, not accessible by a patron; and
2628	(B) apart from an area used for dining, for staging, or as a lobby or waiting area; or
2629	(iii) the premises of a bar licensee that is:

2030	(A) owned by the same person of persons as the beer-only restaurant ficensee; and
2631	(B) located immediately adjacent to the premises of the beer-only restaurant licensee;
2632	<u>and</u>
2633	[(b) the beer-only restaurant licensee uses a beer that is stored in an area described in
2634	Subsection (13)(a) or in accordance with Section 32B-5-303; and]
2635	[(c)] (b) any instrument or equipment used to dispense the beer is located in an area
2636	described in Subsection [(13)] (12)(a).
2637	[(14)] (13) (a) A beer-only restaurant licensee may have more than one dispensing area
2638	in the licensed premises.
2639	(b) Each dispensing area in a licensed premises may satisfy the requirements for a
2640	dispensing area under Subsection [32B-6-202] 32B-6-902(1)(b)(i)(A), (B), or (C)
2641	32B-6-202(2), regardless of how any other dispensing area in the licensed premises satisfies the
2642	requirements for a dispensing area.
2643	[(15)] (14) A beer-only restaurant licensee may not transfer, dispense, or serve beer on
2644	or from a movable cart.
2645	[(16)] (15) (a) In addition to the requirements described in Section 32B-5-302, a
2646	beer-only restaurant licensee shall maintain each of the following records for at least three
2647	years:
2648	(i) a record required by Section 32B-5-302; and
2649	(ii) a record that the commission requires a beer-only restaurant licensee to use or
2650	maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2651	Rulemaking Act.
2652	(b) The department shall audit the records of a beer-only restaurant licensee at least
2653	once each calendar year.
2654	[(17) A beer-only restaurant licensee shall display in a conspicuous place at the
2655	entrance to the licensed premises a sign approved by the commission that:]
2656	[(a) measures at least 8-1/2 inches long and 11 inches wide; and]
2657	[(b) clearly states that the beer-only restaurant licensee is a restaurant and not a bar.]
2658	[(18)] (16) (a) In accordance with Section 32B-6-905.2, a beer-only restaurant licensee:
2659	(i) may comply with the provisions of this section beginning on or after July 1, 2017;
2660	and

2661	(ii) shall comply with the provisions of this section:
2662	(A) for a beer-only restaurant licensee that does not have a grandfathered bar structure,
2663	on and after July 1, 2018; or
2664	(B) for a beer-only restaurant licensee that has a grandfathered bar structure, on and
2665	after July 1, 2022.
2666	(b) A beer-only restaurant licensee that elects to comply with the provisions of this
2667	section before the latest applicable date described in Subsection [(18)] (16)(a)(ii):
2668	(i) shall comply with each provision of this section; and
2669	(ii) is not required to comply with the provisions of Section 32B-6-905.
2670	Section 31. Section 32B-6-905.3 is enacted to read:
2671	32B-6-905.3. Small beer-only restaurant licensee Exemption.
2672	(1) Notwithstanding the provisions of Section 32B-6-905 or 32B-6-905.2 and subject
2673	to Subsection (2), a minor may sit, remain, or consume food or beverages in the dispensing
2674	area of a small beer-only restaurant licensee if:
2675	(a) seating in the dispensing area is the only seating available for patrons on the
2676	licensed premises;
2677	(b) the minor is accompanied by an individual who is 21 years of age or older; and
2678	(c) the small beer-only restaurant licensee applies for and obtains approval from the
2679	department to seat minors in the dispensing area in accordance with this section.
2680	(2) A minor may not sit, remain, or consume food or beverages at a dispensing
2681	structure.
2682	(3) The department shall:
2683	(a) grant an approval described in Subsection (1)(c) if the small beer-only restaurant
2684	licensee demonstrates that the small beer-only restaurant licensee meets the requirements
2685	described in Subsection 32B-6-902(1)(e); and
2686	(b) for each application described in Subsection (1)(c) that the department receives on
2687	or before May 8, 2018, act on the application on or before July 1, 2018.
2688	Section 32. Section 32B-7-202 is amended to read:
2689	32B-7-202. General operational requirements for off-premise beer retailer.
2690	(1) (a) An off-premise beer retailer or staff of the off-premise beer retailer shall comply
2691	with the provisions of this title and any applicable rules made by the commission.

2692	(b) Failure to comply with this section may result in a suspension or revocation of a
2693	local license and, on or after July 1, 2018, disciplinary action in accordance with Chapter 3,
2694	Disciplinary Actions and Enforcement Act.
2695	(2) (a) (i) An off-premise beer retailer may not purchase, acquire, possess for the
2696	purpose of resale, or sell beer, except beer that the off-premise beer retailer lawfully purchases
2697	from:
2698	(A) a beer wholesaler licensee; or
2699	(B) a small brewer that manufactures the beer.
2700	(ii) A violation of Subsection (2)(a) is a class A misdemeanor.
2701	(b) (i) If an off-premise beer retailer purchases beer under this Subsection (2) from a
2702	beer wholesaler licensee, the off-premise beer retailer shall purchase beer only from a beer
2703	wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area
2704	in which the off-premise beer retailer is located, unless an alternate wholesaler is authorized by
2705	the department to sell to the off-premise beer retailer as provided in Section 32B-13-301.
2706	(ii) A violation of Subsection (2)(b) is a class B misdemeanor.
2707	(3) An off-premise beer retailer may not possess, sell, offer for sale, or furnish beer in a
2708	container larger than two liters.
2709	(4) (a) Staff of an off-premise beer retailer, while on duty, may not:
2710	(i) consume an alcoholic product; or
2711	(ii) be intoxicated.
2712	[(4)] (b) A minor may not sell beer on the licensed premises of an off-premise beer
2713	retailer unless:
2714	[(a)] (i) the sale is done under the supervision of a person 21 years of age or older who
2715	is on the licensed premises; and
2716	[(b)] (ii) the minor is at least 16 years of age.
2717	(5) An off-premise beer retailer may not sell, offer for sale, or furnish an alcoholic
2718	product to:
2719	(a) a minor;
2720	(b) a person actually, apparently, or obviously intoxicated;
2721	(c) a known interdicted person; or
2722	(d) a known habitual drunkard.

2751

2752

2753

2723	[(5)] (6) (a) Subject to the other provisions of this Subsection $[(5)]$ (6) , an off-premise
2724	beer retailer shall:
2725	(i) display all beer accessible by and visible to a patron in no more than two locations
2726	on the retail sales floor, each of which is:
2727	(A) a display cabinet, cooler, aisle, floor display, or room where beer is the only
2728	beverage displayed; and
2729	(B) not adjacent to a display of nonalcoholic beverages, unless the location is a cooler
2730	with a door from which the nonalcoholic beverages are not accessible, or the beer is separated
2731	from the display of nonalcoholic beverages by a display of one or more nonbeverage products
2732	or another physical divider; and
2733	(ii) display a sign in the area described in Subsection [(5)] (6)(a)(i) that:
2734	(A) is prominent;
2735	(B) is easily readable by a consumer;
2736	(C) meets the requirements for format established by the commission by rule; and
2737	(D) reads in print that is no smaller than .5 inches, bold type, "These beverages contain
2738	alcohol. Please read the label carefully."
2739	(b) Notwithstanding Subsection $[(5)]$ (6) (a), a nonalcoholic beer may be displayed with
2740	beer if the nonalcoholic beer is labeled, packaged, or advertised as a nonalcoholic beer.
2741	(c) The requirements of this Subsection [(5)] (6) apply to beer notwithstanding that it is
2742	labeled, packaged, or advertised as:
2743	(i) a malt cooler; or
2744	(ii) a beverage that may provide energy.
2745	(d) A violation of this Subsection $[(5)]$ (6) is an infraction.
2746	(e) (i) Except as provided in Subsection [(5)] (6)(e)(ii), the provisions of Subsection
2747	[(5)] (6) (a)(i) apply on and after May 9, 2017.
2748	(ii) For a beer retailer that operates two or more off-premise beer retailers, the
2749	provisions of Subsection [(5)] (6) (a)(i) apply on and after August 1, 2017.
2750	[(6)] (7) (a) Staff of an off-premise beer retailer who directly supervises the sale of beer

- 89 -

or who sells beer to a patron for consumption off the premises of the off-premise beer retailer

shall wear a unique identification badge:

(i) on the front of the staff's clothing;

2754	(ii) visible above the waist;
2755	(iii) bearing the staff's:
2756	(A) first or last name;
2757	(B) initials; or
2758	(C) unique identification in letters or numbers; and
2759	(iv) with the number or letters on the unique identification badge being sufficiently
2760	large to be clearly visible and identifiable while engaging in or directly supervising the retail
2761	sale of beer.
2762	(b) An off-premise beer retailer shall make and maintain a record of each current staffs
2763	unique identification badge assigned by the off-premise beer retailer that includes the staff's:
2764	(i) full name;
2765	(ii) address; and
2766	(iii) (A) driver license number; or
2767	(B) similar identification number.
2768	(c) An off-premise beer retailer shall make available a record required to be made or
2769	maintained under this Subsection $[(6)]$ (7) for immediate inspection by:
2770	(i) a peace officer;
2771	(ii) a representative of the local authority that issues the off-premise beer retailer
2772	license; or
2773	(iii) for an off-premise beer retailer state license, a representative of the commission or
2774	department.
2775	(d) A local authority may impose a fine of up to \$250 against an off-premise beer
2776	retailer that does not comply or require its staff to comply with this Subsection $[(6)]$ (7) .
2777	Section 33. Section 32B-7-401 is amended to read:
2778	32B-7-401. Commission's power to issue off-premise beer retailer state license.
2779	(1) Beginning on July 1, 2018, and except as provided in Subsection (3), before a
2780	person may purchase, store, sell, or offer for sale beer for consumption off the person's
2781	premises, the person shall obtain an off-premise beer retailer state license in accordance with
2782	this part.
2783	(2) The commission may issue an off-premise beer retailer state license for the retail
2784	sale of beer for consumption off the beer retailer's premises.

- (3) (a) A person who operates as an off-premise beer retailer on July 1, 2018, shall [obtain] submit an application for an off-premise beer retailer state license on or before March 1, 2019.
- [(b) (i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall establish a deadline for each off-premise beer retailer described in Subsection (3)(a) to submit to the department an application for an off-premise beer retailer state license.]
- [(ii) The commission shall act upon each timely application submitted in accordance with this Subsection (3) on or before February 28, 2019.]
- [(c) An off-premise beer retailer described in Subsection (3)(a) may continue to operate without an off-premise beer retailer state license through February 28, 2019.]
 - Section 34. Section 32B-8a-202 is amended to read:

32B-8a-202. Effect of transfer of ownership of business entity.

- (1) (a) When the ownership of 51% or more of the shares of stock of a corporation is acquired by or transferred to one or more persons who did not hold the ownership of 51% of those shares of stock on the date a retail license is issued to the corporation, the corporation shall comply with this chapter to transfer the retail license to the corporation as if the corporation is newly constituted.
- (b) When there is a new general partner or when the ownership of 51% or more of the capital or profits of a limited partnership is acquired by or transferred to one or more persons as general or limited partners and who did not hold ownership of 51% or more of the capital or profits of the limited partnership on the date a retail license is issued to the limited partnership, the limited partnership shall comply with this chapter to transfer the retail license to the limited partnership as if the limited partnership is newly constituted.
- (c) When the ownership of 51% or more of the interests in a limited liability company is acquired by or transferred to one or more persons as members who did not hold ownership of 51% or more of the interests in the limited liability company on the date a retail license is issued to the limited liability company, the limited liability company shall comply with this chapter to transfer the retail license to the limited liability company as if the limited liability company is newly constituted.
 - (2) [If a] \underline{A} business entity [fails to] \underline{shall} comply with this section within [30] $\underline{60}$ days

2816	[of] after the day on which the event described in Subsection (1) occurs[, the business entity's
2817	retail license is automatically forfeited].
2818	Section 35. Section 32B-8a-203 is amended to read:
2819	32B-8a-203. Operational requirements for transferee.
2820	(1) (a) A transferee shall begin operations of the retail license within 30 days from the
2821	day on which a transfer is approved by the commission, except that:
2822	(i) the department may grant an extension of this time period not to exceed 30 days;
2823	and
2824	(ii) after the extension is authorized by the department under Subsection (1)(a)(i), the
2825	commission may grant one or more additional extensions not to exceed, in the aggregate, seven
2826	months from the day on which the commission approves the transfer, if the transferee can
2827	demonstrate to the commission that the transferee:
2828	(A) cannot begin operations because the transferee is improving the licensed premises;
2829	(B) has obtained a building permit for the improvements described in Subsection
2830	(1)(a)(ii)(A); and
2831	(C) is working expeditiously to complete the improvements to the licensed premises.
2832	(b) A transferee is considered to have begun operations of the retail license if the
2833	transferee:
2834	(i) has a licensed premises that is open [to the public] for business;
2835	(ii) sells, offers for sale, or furnishes alcoholic products to a patron on the licensed
2836	premises described in Subsection (1)(b)(i); and
2837	(iii) has a valid business license.
2838	(2) If a transferee fails to begin operations of the retail license within the time period
2839	required by Subsection (1), the following are automatically forfeited effective immediately:
2840	(a) the retail license; and
2841	(b) the retail license fee.
2842	(3) A transferee shall begin operations of the retail license at the location to which the
2843	transfer applies before the transferee may seek a transfer of the retail license to a different
2844	location.
2845	(4) Notwithstanding Subsection (1), the commission may not issue a conditional
2846	license unless the requirements of Section 32B-5-205 are met, except that the time periods

2847	required by this section supersede the time period provided in Section 32B-5-205.
2848	Section 36. Section 32B-8b-102 is amended to read:
2849	32B-8b-102. Definitions.
2850	As used in this chapter:
2851	(1) "Boundary of a hotel" means the physical boundary of [the] one or more contiguous
2852	parcels of real estate owned or managed by the same person and on which a hotel is located
2853	[one or more buildings and any structure or improvement to that real estate as determined by
2854	the commission].
2855	(2) "Hotel" means one or more buildings that:
2856	(a) [constitute] comprise a hotel, as defined by the commission;
2857	(b) are owned or managed by the same person or by a person who has a majority
2858	interest in [and] or can direct or exercise control over the management or policy of the person
2859	who owns or manages any other building under the hotel license within the boundary of the
2860	hotel;
2861	(c) primarily operate to provide lodging accommodations;
2862	(d) provide room service within the boundary of the hotel meeting the requirements of
2863	this title;
2864	(e) have on-premise banquet space and provide on-premise banquet service within the
2865	boundary of the hotel meeting the requirements of this title;
2866	(f) have a restaurant or bar establishment within the boundary of the hotel meeting the
2867	requirements of this title; and
2868	(g) have at least 40 guest rooms.
2869	(3) "Provisions applicable to a sublicense" means:
2870	(a) for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant
2871	License;
2872	(b) for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service
2873	Restaurant License;
2874	(c) for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;
2875	(d) for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet
2876	License;
2877	(e) for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer

2878	Retailer License; and
2879	(f) for a beer-only restaurant sublicense, Chapter 6, Part 9, Beer-Only Restaurant
2880	License.
2881	(4) "Sublicense" means:
2882	(a) a full-service restaurant sublicense;
2883	(b) a limited-service restaurant sublicense;
2884	(c) a bar establishment sublicense;
2885	(d) an on-premise banquet sublicense;
2886	(e) an on-premise beer retailer sublicense; and
2887	(f) a beer-only restaurant sublicense.
2888	(5) "Sublicense premises" means a building, enclosure, or room used pursuant to a
2889	sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic
2890	product, unless otherwise defined in this title or in the rules made by the commission[, except
2891	that sublicense premises may have only one sublicense within a room or an enclosure that is
2892	separate from a room].
2893	Section 37. Section 32B-8b-301 is amended to read:
2894	32B-8b-301. Specific operational requirements for hotel license.
2895	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2896	Requirements, a hotel licensee, staff of the hotel licensee, and a person otherwise operating
2897	under a sublicense shall comply with this section.
2898	(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2899	in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
2900	(i) a hotel licensee;
2901	(ii) individual staff of a hotel licensee;
2902	(iii) a person otherwise operating under a sublicense;
2903	(iv) individual staff of a person otherwise operating under a sublicense; or
2904	(v) any combination of the persons listed in this Subsection (1)(b).
2905	(2) (a) A hotel licensee may not sell, offer for sale, or furnish an alcoholic product
2906	except:
2907	(i) on a sublicense premises;
2908	(ii) pursuant to a permit issued under this title; or

29382939

	, , , , ,
2909	(iii) under a package agency agreement with the department, subject to Chapter 2, Part
2910	6, Package Agency.
2911	(b) A hotel licensee who sells, offers for sale, or furnishes an alcoholic product as
2912	provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:
2913	(i) except as provided in Section 32B-8b-302, if on a sublicense premises, in
2914	accordance with the operational requirements under the provisions applicable to the sublicense;
2915	(ii) if under a permit issued under this title, in accordance with the operational
2916	requirements under the provisions applicable to the permit; and
2917	(iii) if as a package agency, in accordance with the contract with the department and
2918	Chapter 2, Part 6, Package Agency.
2919	(c) Notwithstanding the other provisions of this Subsection (2), a hotel licensee may
2920	not permit a patron to carry an alcoholic product off the premises of a sublicense in violation of
2921	Section 32B-5-307 or off an area designated under a permit.
2922	(3) A hotel licensee shall comply with Subsections 32B-5-301(4) and (5) within the
2923	boundary of the hotel.
2924	(4) A hotel licensee shall supervise and direct a person involved in the sale, offer for
2925	sale, or furnishing of an alcoholic product under a hotel license.
2926	(5) (a) Room service of an alcoholic product to a lodging accommodation of a hotel
2927	licensee shall be provided in person by staff of a hotel licensee only to an adult occupant in the
2928	lodging accommodation.
2929	(b) An alcoholic product may not be left outside a lodging accommodation for retrieval
2930	by an occupant.
2931	(6) A hotel licensee shall operate in a manner so that at least 70% of the annual
2932	aggregate of the gross receipts related to the sale of food or beverages for the hotel license and
2933	each of the hotel license's sublicenses is from the sale of food, not including:
2934	(a) mix for an alcoholic product; and
2935	(b) a charge in connection with the service of an alcoholic product.
2936	Section 38. Section 32B-8b-302 is amended to read:
2937	32B-8b-302. Specific operational requirements for a sublicense.

- 95 -

(1) [A] Except as provided in Subsection (2), a person operating under a sublicense is

subject to the operational requirements under the provisions applicable to the sublicense.

2940	(2) A person operating under a sublicense is not subject to a requirement that a certain
2941	percentage of the gross receipts for the sublicense be from the sale of food, except to the extent
2942	the gross receipts for the sublicense are included in calculating the percentages under
2943	<u>Subsection</u> <u>32B-8-401(4).</u>
2944	[(2)] (3) For purposes of interpreting an operational requirement imposed by the
2945	provisions applicable to a sublicense:
2946	(a) a requirement imposed on a person operating under a sublicense applies to the hotel
2947	licensee; and
2948	(b) a requirement imposed on staff of a person operating under a sublicense applies to
2949	staff of the hotel licensee.
2950	Section 39. Section 53F-9-304 is amended to read:
2951	53F-9-304. Underage Drinking Prevention Program Restricted Account.
2952	(1) As used in this section, "account" means the Underage Drinking Prevention
2953	Program Restricted Account created in this section.
2954	(2) There is created within the Education Fund a restricted account known as the
2955	"Underage Drinking Prevention Program Restricted Account."
2956	(3) (a) Before the Department of Alcoholic Beverage Control [remits] deposits any
2957	portion of the markup collected under Section 32B-2-304 [to the State Tax Commission, the
2958	department] into the Liquor Control Fund in accordance with Section 32B-2-301, the
2959	Department of Alcoholic Beverage Control shall deposit into the account:
2960	(i) for the fiscal year that begins July 1, 2017, \$1,750,000; or
2961	(ii) for each fiscal year that begins on or after July 1, 2018, an amount equal to the
2962	amount that the [department] Department of Alcoholic Beverage Control deposited into the
2963	account during the preceding fiscal year increased or decreased by a percentage equal to the
2964	percentage difference between the Consumer Price Index for the second preceding calendar
2965	year and the Consumer Price Index for the preceding calendar year [2017].
2966	(b) For purposes of this Subsection (3), the department shall calculate the Consumer
2967	Price Index in accordance with 26 U.S.C. Secs. 1(f)(4) and 1(f)(5).
2968	(4) The account shall be funded:
2969	(a) in accordance with Subsection (3);
2970	(b) by appropriations made to the account by the Legislature; and

2971	(c) by interest earned on money in the account.
2972	(5) The State Board of Education shall use money in the account for the Underage
2973	Drinking Prevention Program described in Section 53G-10-406.
2974	Section 40. Section 53G-10-406 is amended to read:
2975	53G-10-406. Underage Drinking Prevention Program State Board of Education
2976	rules.
2977	(1) As used in this section:
2978	(a) "Advisory council" means the Underage Drinking Prevention Program Advisory
2979	Council created in this section.
2980	(b) "Board" means the State Board of Education.
2981	(c) "LEA" means:
2982	(i) a school district;
2983	(ii) a charter school; or
2984	(iii) the Utah Schools for the Deaf and the Blind.
2985	(d) "Program" means the Underage Drinking Prevention Program created in this
2986	section.
2987	(e) "School-based prevention [presentation] program" means an evidence-based
2988	program intended for students aged 13 and older that:
2989	(i) is aimed at preventing underage consumption of alcohol;
2990	(ii) is delivered by methods that engage students in storytelling and visualization;
2991	(iii) addresses the behavioral risk factors associated with underage drinking; and
2992	(iv) provides practical tools to address the dangers of underage drinking.
2993	(2) There is created the Underage Drinking Prevention Program that consists of:
2994	(a) a school-based prevention [presentation] program for students in grade 7 or 8; and
2995	(b) a school-based prevention [presentation] program for students in grade 9 or 10 that
2996	increases awareness of the dangers of driving under the influence of alcohol.
2997	(3) (a) Beginning with the 2018-19 school year, an LEA shall offer the program each
2998	school year to each student in grade 7 or 8 and grade 9 or 10.
2999	(b) An LEA shall select from the providers qualified by the board under Subsection (6)
3000	to offer the program.
3001	(4) The board shall administer the program with input from the advisory council.

3032

board shall make rules that:

3002 (5) There is created the Underage Drinking Prevention Program Advisory Council 3003 comprised of the following members: 3004 (a) the executive director of the Department of Alcoholic Beverage Control or the 3005 executive director's designee; 3006 (b) the executive director of the Department of Health or the executive director's 3007 designee; 3008 (c) the director of the Division of Substance Abuse and Mental Health or the director's 3009 designee; 3010 (d) the director of the Division of Child and Family Services or the director's designee; 3011 (e) the director of the Division of Juvenile Justice Services or the director's designee; 3012 (f) the state superintendent of public instruction or the state superintendent of public 3013 instruction's designee; and 3014 (g) two members of the State Board of Education, appointed by the chair of the State 3015 Board of Education. 3016 (6) (a) In accordance with Title 63G, Chapter 6a, Utah Procurement Code, the board 3017 shall qualify one or more providers to provide the program to an LEA. 3018 (b) In selecting a provider described in Subsection (6)(a), the board shall consider: 3019 (i) whether the provider's program complies with the requirements described in this 3020 section; 3021 (ii) the extent to which the provider's underage drinking prevention program aligns 3022 with core standards for Utah public schools; and 3023 (iii) the provider's experience in providing a program that is effective at reducing 3024 underage drinking. 3025 (7) (a) The board shall use money from the Underage Drinking Prevention Program 3026 Restricted Account described in Section 53F-9-304 for the program. 3027 (b) The board may use money from the Underage Drinking Prevention Program 3028 Restricted Account to fund up to .5 of a full-time equivalent position to administer the 3029 program. 3030 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

(a) beginning with the 2018-19 school year, require an LEA to offer the Underage

3033	Drinking Prevention Program each school year to each student in grade / or 8 and grade 9 or
3034	10; and
3035	(b) establish criteria for the board to use in selecting a provider described in Subsection
3036	(6).
3037	Section 41. Section 62A-15-401 is amended to read:
3038	62A-15-401. Alcohol training and education seminar.
3039	(1) As used in this part:
3040	(a) "Instructor" means a person that directly provides the instruction during an alcohol
3041	training and education seminar for a seminar provider.
3042	(b) "Licensee" means a person who is:
3043	(i) (A) a new or renewing licensee under Title 32B, Alcoholic Beverage Control Act;
3044	and
3045	(B) engaged in the retail sale of an alcoholic product for consumption on the premises
3046	of the licensee; or
3047	(ii) a business that is:
3048	(A) a new or renewing licensee licensed by a city, town, or county; and
3049	(B) engaged in the retail sale of beer for consumption off the premises of the licensee.
3050	(c) "Off-premise beer retailer" is as defined in Section 32B-1-102.
3051	(d) "Seminar provider" means a person other than the division who provides an alcohol
3052	training and education seminar meeting the requirements of this section.
3053	(2) (a) This section applies to:
3054	(i) a retail manager as defined in Section 32B-5-402;
3055	(ii) retail staff as defined in Section 32B-5-402; and
3056	(iii) an individual who, as defined by division rule:
3057	(A) directly supervises the sale of beer to a customer for consumption off the premises
3058	of an off-premise beer retailer; or
3059	(B) sells beer to a customer for consumption off the premises of an off-premise beer
3060	retailer.
3061	(b) If the individual does not have a valid record that the individual has completed an
3062	alcohol training and education seminar, an individual described in Subsection (2)(a) shall:
3063	(i) (A) complete an alcohol training and education seminar within 30 days of the

3064	following if the individual is described in [Subsections] Subsection (2)(a)(i) [through (iii)] or
3065	<u>(ii)</u> :
3066	(I) if the individual is an employee, the day the individual begins employment;
3067	(II) if the individual is an independent contractor, the day the individual is first hired;
3068	or
3069	(III) if the individual holds an ownership interest in the licensee, the day that the
3070	individual first engages in an activity that would result in that individual being required to
3071	complete an alcohol training and education seminar; or
3072	(B) complete an alcohol training and education seminar within the time periods
3073	specified in Subsection 32B-5-404(1) if the individual is described in [Subsections (2)(a)(iv)
3074	and (v) Subsection (2)(a)(iii)(A) or (B); and
3075	(ii) pay a fee:
3076	(A) to the seminar provider; and
3077	(B) that is equal to or greater than the amount established under Subsection (4)(h).
3078	(c) An individual shall have a valid record that the individual completed an alcohol
3079	training and education seminar within the time period provided in this Subsection (2) to engage
3080	in an activity described in Subsection (2)(a).
3081	(d) A record that an individual has completed an alcohol training and education
3082	seminar is valid for:
3083	(i) three years from the day on which the record is issued for an individual described in
3084	Subsection $(2)(a)(i)[\frac{1}{2}]$ or $(ii)[\frac{1}{2}]$ and
3085	(ii) five years from the day on which the record is issued for an individual described in
3086	Subsection $(2)(a)[(iv) \text{ or } (v)](iii)(A) \text{ or } (B)$.
3087	(e) On and after July 1, 2011, to be considered as having completed an alcohol training
3088	and education seminar, an individual shall:
3089	(i) attend the alcohol training and education seminar and take any test required to
3090	demonstrate completion of the alcohol training and education seminar in the physical presence
3091	of an instructor of the seminar provider; or
3092	(ii) complete the alcohol training and education seminar and take any test required to
3093	demonstrate completion of the alcohol training and education seminar through an online course
3094	or testing program that meets the requirements described in Subsection (2)(f).

(f) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah
Administrative Rulemaking Act, establish one or more requirements for an online course or
testing program described in Subsection (2)(e) that are designed to inhibit fraud in the use of
the online course or testing program. In developing the requirements by rule the division shall
consider whether to require:

- (i) authentication that the an individual accurately identifies the individual as taking the online course or test;
- (ii) measures to ensure that an individual taking the online course or test is focused on training material throughout the entire training period;
- (iii) measures to track the actual time an individual taking the online course or test is actively engaged online;
- (iv) a seminar provider to provide technical support, such as requiring a telephone number, email, or other method of communication that allows an individual taking the online course or test to receive assistance if the individual is unable to participate online because of technical difficulties;
- (v) a test to meet quality standards, including randomization of test questions and maximum time limits to take a test;
- (vi) a seminar provider to have a system to reduce fraud as to who completes an online course or test, such as requiring a distinct online certificate with information printed on the certificate that identifies the person taking the online course or test, or requiring measures to inhibit duplication of a certificate;
 - (vii) measures for the division to audit online courses or tests;
- (viii) measures to allow an individual taking an online course or test to provide an evaluation of the online course or test;
- (ix) a seminar provider to track the Internet protocol address or similar electronic location of an individual who takes an online course or test;
 - (x) an individual who takes an online course or test to use an e-signature; or
- (xi) a seminar provider to invalidate a certificate if the seminar provider learns that the certificate does not accurately reflect the individual who took the online course or test.
- (3) (a) A licensee may not permit an individual who is not in compliance with Subsection (2) to:

3126	(1) serve or supervise the serving of an alcoholic product to a customer for
3127	consumption on the premises of the licensee;
3128	(ii) engage in any activity that would constitute managing operations at the premises of
3129	a licensee that engages in the retail sale of an alcoholic product for consumption on the
3130	premises of the licensee;
3131	(iii) directly supervise the sale of beer to a customer for consumption off the premises
3132	of an off-premise beer retailer; or
3133	(iv) sell beer to a customer for consumption off the premises of an off-premise beer
3134	retailer.
3135	(b) A licensee that violates Subsection (3)(a) is subject to Section 32B-5-403.
3136	(4) The division shall:
3137	(a) (i) provide alcohol training and education seminars; or
3138	(ii) certify one or more seminar providers;
3139	(b) establish the curriculum for an alcohol training and education seminar that includes
3140	the following subjects:
3141	(i) (A) alcohol as a drug; and
3142	(B) alcohol's effect on the body and behavior;
3143	(ii) recognizing the problem drinker or signs of intoxication;
3144	(iii) an overview of state alcohol laws related to responsible beverage sale or service,
3145	as determined in consultation with the Department of Alcoholic Beverage Control;
3146	(iv) dealing with the problem customer, including ways to terminate sale or service;
3147	and
3148	(v) for those supervising or engaging in the retail sale of an alcoholic product for
3149	consumption on the premises of a licensee, alternative means of transportation to get the
3150	customer safely home;
3151	(c) recertify each seminar provider every three years;
3152	(d) monitor compliance with the curriculum described in Subsection (4)(b);
3153	(e) maintain for at least five years a record of every person who has completed an
3154	alcohol training and education seminar;
3155	(f) provide the information described in Subsection (4)(e) on request to:
3156	(i) the Department of Alcoholic Beverage Control:

3157	(ii) law enforcement; or
3158	(iii) a person licensed by the state or a local government to sell an alcoholic product;
3159	(g) provide the Department of Alcoholic Beverage Control on request a list of any
3160	seminar provider certified by the division; and
3161	(h) establish a fee amount for each person attending an alcohol training and education
3162	seminar that is sufficient to offset the division's cost of administering this section.
3163	(5) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah
3164	Administrative Rulemaking Act:
3165	(a) define what constitutes under this section an individual who:
3166	(i) manages operations at the premises of a licensee engaged in the retail sale of an
3167	alcoholic product for consumption on the premises of the licensee;
3168	(ii) supervises the serving of an alcoholic product to a customer for consumption on the
3169	premises of a licensee;
3170	(iii) serves an alcoholic product to a customer for consumption on the premises of a
3171	licensee;
3172	(iv) directly supervises the sale of beer to a customer for consumption off the premises
3173	of an off-premise beer retailer; or
3174	(v) sells beer to a customer for consumption off the premises of an off-premise beer
3175	retailer;
3176	(b) establish criteria for certifying and recertifying a seminar provider; and
3177	(c) establish guidelines for the manner in which an instructor provides an alcohol
3178	education and training seminar.
3179	(6) A seminar provider shall:
3180	(a) obtain recertification by the division every three years;
3181	(b) ensure that an instructor used by the seminar provider:
3182	(i) follows the curriculum established under this section; and
3183	(ii) conducts an alcohol training and education seminar in accordance with the
3184	guidelines established by rule;
3185	(c) ensure that any information provided by the seminar provider or instructor of a
3186	seminar provider is consistent with:
3187	(i) the curriculum established under this section; and

3188	(ii) this section;
3189	(d) provide the division with the names of all persons who complete an alcohol training
3190	and education seminar provided by the seminar provider;
3191	(e) (i) collect a fee for each person attending an alcohol training and education seminar
3192	in accordance with Subsection (2); and
3193	(ii) forward to the division the portion of the fee that is equal to the amount described
3194	in Subsection (4)(h); and
3195	(f) issue a record to an individual that completes an alcohol training and education
3196	seminar provided by the seminar provider.
3197	(7) (a) If after a hearing conducted in accordance with Title 63G, Chapter 4,
3198	Administrative Procedures Act, the division finds that a seminar provider violates this section
3199	or that an instructor of the seminar provider violates this section, the division may:
3200	(i) suspend the certification of the seminar provider for a period not to exceed 90 days;
3201	(ii) revoke the certification of the seminar provider;
3202	(iii) require the seminar provider to take corrective action regarding an instructor; or
3203	(iv) prohibit the seminar provider from using an instructor until such time that the
3204	seminar provider establishes to the satisfaction of the division that the instructor is in
3205	compliance with Subsection (6)(b).
3206	(b) The division may certify a seminar provider whose certification is revoked:
3207	(i) no sooner than 90 days from the date the certification is revoked; and
3208	(ii) if the seminar provider establishes to the satisfaction of the division that the
3209	seminar provider will comply with this section.
3210	Section 42. Section 63I-2-232 is amended to read:
3211	63I-2-232. Repeal dates Title 32B.
3212	(1) Subsection 32B-1-102(7) is repealed July 1, 2022.
3213	[(2) Subsection 32B-1-102(33) (a)(i)(B), the language that states
3214	"32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii)," and ", or 32B-6-905(12)(b)(ii)" is repealed July
3215	1, 2022.]
3216	[(3)] (2) Subsection 32B-1-102(114)(b), the language that states "32B-6-205(12)(b)(ii),
3217	32B-6-305(12)(b)(ii)," and ", or 32B-6-905(12)(b)(ii)" is repealed July 1, 2022.
3218	(3) Subsection 32B-1-407(3)(d) is repealed July 1, 2022.

3219 (4) Subsection 32B-1-604(4) is repealed June 1, 2018. 3220 (5) Subsections 32B-6-202(3) and (4) are repealed July 1, 2022. 3221 (6) Section 32B-6-205 is repealed July 1, 2022. 3222 (7) Subsection 32B-6-205.2[(17)](15) is repealed July 1, 2022. 3223 (8) Section 32B-6-205.3 is repealed July 1, 2022. 3224 (9) Subsections 32B-6-302(3) and (4) are repealed July 1, 2022. (10) Section 32B-6-305 is repealed July 1, 2022. 3225 3226 (11) Subsection 32B-6-305.2[(17)](15) is repealed July 1, 2022. 3227 (12) Section 32B-6-305.3 is repealed July 1, 2022. 3228 (13) Section 32B-6-404.1 is repealed July 1, 2022. 3229 (14) Section 32B-6-409 is repealed July 1, 2022. 3230 (15) Section 32B-6-605.1 is repealed July 1, 2019. $[\frac{(15)}{(16)}]$ (16) Subsection 32B-6-703(2)(e)(iv) is repealed July 1, 2022. 3231 3232 $[\frac{(16)}{(17)}]$ (17) Subsections 32B-6-902(1)(c), (1)(d), and (2) are repealed July 1, 2022. 3233 $[\frac{(17)}{(18)}]$ (18) Section 32B-6-905 is repealed July 1, 2022. 3234 $[\frac{(18)}{(19)}]$ (19) Subsection 32B-6-905.1 $[\frac{(17)}{(17)}]$ (16) is repealed July 1, 2022. [(19)] (20) Section 32B-6-905.2 is repealed July 1, 2022. 3235 3236 [(20)] (21) Section 32B-7-303 is repealed March 1, 2019. 3237 $[\frac{(21)}{(21)}]$ (22) Section 32B-7-304 is repealed March 1, 2019. 3238 $[\frac{(22)}{(23)}]$ (23) Subsection 32B-8-402(1)(b) is repealed July 1, 2022.