

Representative Timothy D. Hawkes proposes the following substitute bill:

ALCOHOL AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Timothy D. Hawkes

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends and enacts provisions of the Alcoholic Beverage Control Act.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides a grandfather clause for certain licensees regarding proximity requirements;
- ▶ prohibits advertising that promotes the intoxicating effects of alcohol or emphasizes the high alcohol content of an alcoholic product;
- ▶ enacts provisions regarding percentage lease agreements;
- ▶ consolidates provisions regarding qualifications for a resort license;
- ▶ grants the Alcoholic Beverage Control Commission (commission) plenary power to deem a license, permit, or certificate of approval forfeit;
- ▶ consolidates provisions regarding application requirements for retail licenses;
- ▶ grants the commission rulemaking authority to set standards for dispensing stations and areas;
- ▶ permits certain package agencies and an on-premise banquet licensee to provide an alcoholic product free of charge to a guest room as part of room service under



- 26 certain conditions;
- 27 ▶ amends provisions regarding the timing of reporting violations;
- 28 ▶ grants the department power to issue an order to show cause under certain
- 29 conditions;
- 30 ▶ amends provisions regarding multiple retail licenses operating on the same
- 31 premises;
- 32 ▶ amends provisions regarding bringing an alcoholic product onto or removing an
- 33 alcoholic product from licensed premises;
- 34 ▶ amends provisions regarding minors in or on the lounge or bar areas of certain
- 35 licensees;
- 36 ▶ grants the commission power to designate by rule a recreational amenity under
- 37 certain conditions;
- 38 ▶ amends the total annual gross receipts from the sale of food that a reception center
- 39 licensee must maintain;
- 40 ▶ prohibits an off-premise beer retailer state licensee from holding more than one type
- 41 of license for the same premises;
- 42 ▶ amends the Transfer of Retail License Act to:
- 43 • govern the transfer of an off-premise beer retailer state license, a manufacturing
- 44 license, and an industrial or manufacturing use permit; and
- 45 • permit the transfer of a bar establishment license across county lines;
- 46 ▶ creates an arena license, including licensing requirements, operational requirements,
- 47 and enforcement;
- 48 ▶ consolidates provisions regarding sublicenses, creating the Sublicense Act;
- 49 ▶ creates a hospitality amenity sublicense, including licensing requirements,
- 50 operational requirements, and enforcement;
- 51 ▶ requires a person who substantially changes an event permit application to pay a
- 52 nonrefundable fee;
- 53 ▶ requires a peace officer arresting an individual for driving under the influence of
- 54 alcohol to ask where the operator obtained the alcohol and record the information
- 55 received;
- 56 ▶ repeals provisions regarding enforcement of Nuisance Retail Licensee Act in

57 relation to hotel and resort licensees; and

58 ▶ makes technical and conforming changes.

59 **Money Appropriated in this Bill:**

60 None

61 **Other Special Clauses:**

62 None

63 **Utah Code Sections Affected:**

64 AMENDS:

65 **32B-1-102**, as last amended by Laws of Utah 2019, Chapters 336, 403, 498 and last
66 amended by Coordination Clause, Laws of Utah 2019, Chapter 403

67 **32B-1-202**, as last amended by Laws of Utah 2018, Chapter 249

68 **32B-1-206**, as renumbered and amended by Laws of Utah 2011, Chapter 307

69 **32B-1-304**, as last amended by Laws of Utah 2019, Chapter 145

70 **32B-1-305**, as last amended by Laws of Utah 2019, Chapter 403

71 **32B-1-607**, as last amended by Laws of Utah 2019, Chapter 403

72 **32B-2-202**, as last amended by Laws of Utah 2019, Chapter 403

73 **32B-2-605**, as last amended by Laws of Utah 2019, Chapter 403

74 **32B-3-202**, as enacted by Laws of Utah 2010, Chapter 276

75 **32B-3-204**, as last amended by Laws of Utah 2012, Chapter 365

76 **32B-4-415**, as last amended by Laws of Utah 2018, Chapter 249

77 **32B-4-422**, as last amended by Laws of Utah 2011, Chapter 307

78 **32B-5-201**, as last amended by Laws of Utah 2017, Chapter 455

79 **32B-5-202**, as last amended by Laws of Utah 2018, Chapter 249

80 **32B-5-203**, as enacted by Laws of Utah 2010, Chapter 276

81 **32B-5-204**, as enacted by Laws of Utah 2010, Chapter 276

82 **32B-5-207**, as last amended by Laws of Utah 2019, Chapter 403

83 **32B-5-301**, as last amended by Laws of Utah 2019, Chapter 403

84 **32B-5-307**, as last amended by Laws of Utah 2018, Chapter 249

85 **32B-6-406**, as last amended by Laws of Utah 2018, Chapter 249

86 **32B-6-603**, as last amended by Laws of Utah 2019, Chapter 403

87 **32B-6-605**, as last amended by Laws of Utah 2019, Chapter 403

- 88 **32B-6-702**, as last amended by Laws of Utah 2019, Chapter 403
- 89 **32B-6-803**, as last amended by Laws of Utah 2019, Chapter 403
- 90 **32B-6-805**, as last amended by Laws of Utah 2019, Chapter 403
- 91 **32B-8-102**, as last amended by Laws of Utah 2017, Chapter 455
- 92 **32B-8-201**, as enacted by Laws of Utah 2010, Chapter 276
- 93 **32B-8-202**, as last amended by Laws of Utah 2011, Chapter 334
- 94 **32B-8-401**, as last amended by Laws of Utah 2011, Chapters 307 and 334
- 95 **32B-8-501**, as last amended by Laws of Utah 2019, Chapter 145
- 96 **32B-8-502**, as enacted by Laws of Utah 2010, Chapter 276
- 97 **32B-8a-101**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 98 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 99 **32B-8a-102**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 100 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 101 **32B-8a-201**, as last amended by Laws of Utah 2013, Chapter 349 and further amended
- 102 by Revisor Instructions, Laws of Utah 2013, Chapter 349
- 103 **32B-8a-202**, as last amended by Laws of Utah 2018, Chapter 249
- 104 **32B-8a-203**, as last amended by Laws of Utah 2018, Chapter 249
- 105 **32B-8a-302**, as last amended by Laws of Utah 2017, Chapters 455, 471 and last
- 106 amended by Coordination Clause, Laws of Utah 2017, Chapter 471
- 107 **32B-8a-303**, as and further amended by Revisor Instructions, Laws of Utah 2013,
- 108 Chapter 349
- 109 **32B-8a-401**, as last amended by Laws of Utah 2016, Chapter 82
- 110 **32B-8a-402**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 111 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 112 **32B-8a-404**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 113 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 114 **32B-8a-501**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 115 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 116 **32B-8a-502**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 117 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 118 **32B-8b-102**, as last amended by Laws of Utah 2018, Chapter 249

- 119 **32B-8b-201**, as last amended by Laws of Utah 2017, Chapter 455
- 120 **32B-8b-202**, as enacted by Laws of Utah 2016, Chapter 80
- 121 **32B-8b-301**, as last amended by Laws of Utah 2018, Chapter 249
- 122 **32B-8b-401**, as enacted by Laws of Utah 2016, Chapter 80
- 123 **32B-9-201**, as last amended by Laws of Utah 2012, Chapter 365
- 124 **32B-10-206**, as enacted by Laws of Utah 2010, Chapter 276
- 125 **32B-11-208**, as enacted by Laws of Utah 2010, Chapter 276
- 126 **32B-11-403**, as last amended by Laws of Utah 2016, Chapter 266
- 127 **63I-2-232**, as last amended by Laws of Utah 2019, First Special Session, Chapter 2

128 ENACTS:

- 129 **32B-1-208**, Utah Code Annotated 1953
- 130 **32B-7-409**, Utah Code Annotated 1953
- 131 **32B-8c-101**, Utah Code Annotated 1953
- 132 **32B-8c-102**, Utah Code Annotated 1953
- 133 **32B-8c-201**, Utah Code Annotated 1953
- 134 **32B-8c-202**, Utah Code Annotated 1953
- 135 **32B-8c-301**, Utah Code Annotated 1953
- 136 **32B-8c-401**, Utah Code Annotated 1953
- 137 **32B-8d-101**, Utah Code Annotated 1953
- 138 **32B-8d-102**, Utah Code Annotated 1953
- 139 **32B-8d-103**, Utah Code Annotated 1953
- 140 **32B-8d-104**, Utah Code Annotated 1953
- 141 **32B-8d-105**, Utah Code Annotated 1953
- 142 **32B-8d-201**, Utah Code Annotated 1953
- 143 **32B-8d-301**, Utah Code Annotated 1953
- 144 **32B-8d-302**, Utah Code Annotated 1953
- 145 **32B-8d-303**, Utah Code Annotated 1953
- 146 **32B-8d-304**, Utah Code Annotated 1953
- 147 **41-6a-531**, Utah Code Annotated 1953

148 RENUMBERS AND AMENDS:

- 149 **32B-8d-202**, (Renumbered from 32B-8-301, as enacted by Laws of Utah 2010, Chapter

- 150 276)
- 151 **32B-8d-203**, (Renumbered from 32B-8-302, as enacted by Laws of Utah 2010, Chapter
- 152 276)
- 153 **32B-8d-204**, (Renumbered from 32B-8-303, as enacted by Laws of Utah 2010, Chapter
- 154 276)
- 155 **32B-8d-205**, (Renumbered from 32B-8-304, as last amended by Laws of Utah 2017,
- 156 Chapter 455)
- 157 REPEALS:
- 158 **32B-8-203**, as enacted by Laws of Utah 2010, Chapter 276
- 159 **32B-8-204**, as last amended by Laws of Utah 2011, Chapter 334
- 160 **32B-8-402**, as last amended by Laws of Utah 2011, Chapter 334
- 161 **32B-8-503**, as enacted by Laws of Utah 2010, Chapter 276
- 162 **32B-8b-203**, as enacted by Laws of Utah 2016, Chapter 80
- 163 **32B-8b-204**, as enacted by Laws of Utah 2016, Chapter 80
- 164 **32B-8b-302**, as last amended by Laws of Utah 2018, Chapter 249
- 165 **32B-8b-402**, as enacted by Laws of Utah 2016, Chapter 80

166

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

167 Section 1. Section **32B-1-102** is amended to read:

168 **32B-1-102. Definitions.**

169 As used in this title:

170 (1) "Airport lounge" means a business location:

171 (a) at which an alcoholic product is sold at retail for consumption on the premises; and

172 (b) that is located at an international airport with a United States Customs office on the
173 premises of the international airport.

174 (2) "Airport lounge license" means a license issued in accordance with Chapter 5,
175 Retail License Act, and Chapter 6, Part 5, Airport Lounge License.

176 (3) "Alcoholic beverage" means the following:

177 (a) beer; or

178 (b) liquor.

179 (4) (a) "Alcoholic product" means a product that:
180

181 (i) contains at least .5% of alcohol by volume; and
182 (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other
183 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol
184 in an amount equal to or greater than .5% of alcohol by volume.

185 (b) "Alcoholic product" includes an alcoholic beverage.

186 (c) "Alcoholic product" does not include any of the following common items that
187 otherwise come within the definition of an alcoholic product:

188 (i) except as provided in Subsection (4)(d), an extract;

189 (ii) vinegar;

190 (iii) preserved nonintoxicating cider;

191 (iv) essence;

192 (v) tincture;

193 (vi) food preparation; or

194 (vii) an over-the-counter medicine.

195 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation
196 when it is used as a flavoring in the manufacturing of an alcoholic product.

197 (5) "Alcohol training and education seminar" means a seminar that is:

198 (a) required by Chapter 1, Part 7, Alcohol Training and Education Act; and

199 (b) described in Section [62A-15-401](#).

200 (6) "Arena" means an enclosed building:

201 (a) that is managed by:

202 (i) the same person who owns the enclosed building;

203 (ii) a person who has a majority interest in each person who owns or manages a space
204 in the enclosed building; or

205 (iii) a person who has authority to direct or exercise control over the management or
206 policy of each person who owns or manages a space in the enclosed building;

207 (b) that operates as a venue; and

208 (c) that has an occupancy capacity of at least 12,500.

209 (7) "Arena license" means a license issued in accordance with Chapter 5, Retail
210 License Act, and Chapter 8c, Arena License Act.

211 ~~[(6)]~~ (8) "Banquet" means [a private] an event:

212 (a) that is a private event or a privately sponsored event;
213 ~~[(a)]~~ (b) that is held at one or more designated locations approved by the commission
214 in or on the premises of [a]:
215 (i) a hotel;
216 (ii) a resort facility;
217 (iii) a sports center;
218 (iv) a convention center; ~~[or]~~
219 (v) a performing arts facility; or
220 (vi) an arena;
221 ~~[(b)]~~ (c) for which there is a contract:
222 (i) between a person operating a facility listed in Subsection ~~[(6)(a)]~~ (8)(b) and another
223 person that has common ownership of less than 20% with the person operating the facility; and
224 (ii) under which the person operating a facility listed in Subsection ~~[(6)(a)]~~ (8)(b) is
225 required to provide an alcoholic product at the event; and
226 ~~[(c)]~~ (d) at which food and alcoholic products may be sold, offered for sale, or
227 furnished.
228 ~~[(7)]~~ (9) "Bar structure" means a surface or structure on a licensed premises if on or at
229 any place of the surface or structure an alcoholic product is:
230 (a) stored; or
231 (b) dispensed.
232 ~~[(8)]~~ (10) (a) "Bar establishment license" means a license issued in accordance with
233 Chapter 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.
234 (b) "Bar establishment license" includes:
235 (i) a dining club license;
236 (ii) an equity license;
237 (iii) a fraternal license; or
238 (iv) a bar license.
239 ~~[(9)]~~ (11) "Bar license" means a license issued in accordance with Chapter 5, Retail
240 License Act, and Chapter 6, Part 4, Bar Establishment License.
241 ~~[(10)]~~ (12) (a) Subject to Subsection (10)(d), "beer" means a product that:
242 (i) contains at least .5% of alcohol by volume, but not more than 5% of alcohol by

- 243 volume or 4% by weight; and
- 244 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- 245 (b) "Beer" may or may not contain hops or other vegetable products.
- 246 (c) "Beer" includes a product that:
- 247 (i) contains alcohol in the percentages described in Subsection [~~(10)~~] (12)(a); and
- 248 (ii) is referred to as:
- 249 (A) beer;
- 250 (B) ale;
- 251 (C) porter;
- 252 (D) stout;
- 253 (E) lager; or
- 254 (F) a malt or malted beverage.
- 255 (d) "Beer" does not include a flavored malt beverage.
- 256 [~~(11)~~] (13) "Beer-only restaurant license" means a license issued in accordance with
- 257 Chapter 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.
- 258 [~~(12)~~] (14) "Beer retailer" means a business that:
- 259 (a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
- 260 for consumption on or off the business premises; and
- 261 (b) is licensed as:
- 262 (i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
- 263 Retailer Local Authority; or
- 264 (ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
- 265 Chapter 6, Part 7, On-Premise Beer Retailer License.
- 266 [~~(13)~~] (15) "Beer wholesaling license" means a license:
- 267 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
- 268 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
- 269 retail licensees or off-premise beer retailers.
- 270 [~~(14)~~] (16) "Billboard" means a public display used to advertise, including:
- 271 (a) a light device;
- 272 (b) a painting;
- 273 (c) a drawing;

- 274 (d) a poster;
- 275 (e) a sign;
- 276 (f) a signboard; or
- 277 (g) a scoreboard.
- 278 ~~[(15)]~~ (17) "Brewer" means a person engaged in manufacturing:
- 279 (a) beer;
- 280 (b) heavy beer; or
- 281 (c) a flavored malt beverage.
- 282 ~~[(16)]~~ (18) "Brewery manufacturing license" means a license issued in accordance with
- 283 Chapter 11, Part 5, Brewery Manufacturing License.
- 284 ~~[(17)]~~ (19) "Certificate of approval" means a certificate of approval obtained from the
- 285 department under Section [32B-11-201](#).
- 286 ~~[(18)]~~ (20) "Chartered bus" means a passenger bus, coach, or other motor vehicle
- 287 provided by a bus company to a group of persons pursuant to a common purpose:
- 288 (a) under a single contract;
- 289 (b) at a fixed charge in accordance with the bus company's tariff; and
- 290 (c) to give the group of persons the exclusive use of the passenger bus, coach, or other
- 291 motor vehicle, and a driver to travel together to one or more specified destinations.
- 292 ~~[(19)]~~ (21) "Church" means a building:
- 293 (a) set apart for worship;
- 294 (b) in which religious services are held;
- 295 (c) with which clergy is associated; and
- 296 (d) that is tax exempt under the laws of this state.
- 297 ~~[(20)]~~ (22) "Commission" means the Alcoholic Beverage Control Commission created
- 298 in Section [32B-2-201](#).
- 299 ~~[(21)]~~ (23) "Commissioner" means a member of the commission.
- 300 ~~[(22)]~~ (24) "Community location" means:
- 301 (a) a public or private school;
- 302 (b) a church;
- 303 (c) a public library;
- 304 (d) a public playground; or

305 (e) a public park.

306 [~~23~~] (25) "Community location governing authority" means:

307 (a) the governing body of the community location; or

308 (b) if the commission does not know who is the governing body of a community
309 location, a person who appears to the commission to have been given on behalf of the
310 community location the authority to prohibit an activity at the community location.

311 [~~24~~] (26) "Container" means a receptacle that contains an alcoholic product,
312 including:

313 (a) a bottle;

314 (b) a vessel; or

315 (c) a similar item.

316 [~~25~~] (27) "Convention center" means a facility that is:

317 (a) in total at least 30,000 square feet; and

318 (b) otherwise defined as a "convention center" by the commission by rule.

319 [~~26~~] (28) (a) "Counter" means a surface or structure in a dining area of a licensed
320 premises where seating is provided to a patron for service of food.

321 (b) "Counter" does not include a dispensing structure.

322 [~~27~~] (29) "Crime involving moral turpitude" is as defined by the commission by rule.

323 [~~28~~] (30) "Department" means the Department of Alcoholic Beverage Control created
324 in Section 32B-2-203.

325 [~~29~~] (31) "Department compliance officer" means an individual who is:

326 (a) an auditor or inspector; and

327 (b) employed by the department.

328 [~~30~~] (32) "Department sample" means liquor that is placed in the possession of the
329 department for testing, analysis, and sampling.

330 [~~31~~] (33) "Dining club license" means a license issued in accordance with Chapter 5,
331 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
332 commission as a dining club license.

333 [~~32~~] (34) "Director," unless the context requires otherwise, means the director of the
334 department.

335 [~~33~~] (35) "Disciplinary proceeding" means an adjudicative proceeding permitted

336 under this title:

337 (a) against a person subject to administrative action; and

338 (b) that is brought on the basis of a violation of this title.

339 ~~[(34)]~~ (36) (a) Subject to Subsection ~~[(34)]~~ (36)(b), "dispense" means:

340 (i) drawing an alcoholic product; and

341 (ii) using the alcoholic product at the location from which it was drawn to mix or
342 prepare an alcoholic product to be furnished to a patron of the retail licensee.

343 (b) The definition of "dispense" in this Subsection ~~[(34)]~~ (36) applies only to:

344 (i) a full-service restaurant license;

345 (ii) a limited-service restaurant license;

346 (iii) a reception center license; and

347 (iv) a beer-only restaurant license.

348 ~~[(35)]~~ (37) "Dispensing structure" means a surface or structure on a licensed premises:

349 (a) where an alcoholic product is dispensed; or

350 (b) from which an alcoholic product is served.

351 ~~[(36)]~~ (38) "Distillery manufacturing license" means a license issued in accordance
352 with Chapter 11, Part 4, Distillery Manufacturing License.

353 ~~[(37)]~~ (39) "Distressed merchandise" means an alcoholic product in the possession of
354 the department that is saleable, but for some reason is unappealing to the public.

355 ~~[(38) "Educational facility" includes:]~~

356 ~~[(a) a nursery school;]~~

357 ~~[(b) an infant day care center; and]~~

358 ~~[(c) a trade and technical school.]~~

359 ~~[(39)]~~ (40) "Equity license" means a license issued in accordance with Chapter 5,
360 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
361 commission as an equity license.

362 ~~[(40)]~~ (41) "Event permit" means:

363 (a) a single event permit; or

364 (b) a temporary beer event permit.

365 ~~[(41)]~~ (42) "Exempt license" means a license exempt under Section [32B-1-201](#) from
366 being considered in determining the total number of retail licenses that the commission may

367 issue at any time.

368 ~~[(42)]~~ (43) (a) "Flavored malt beverage" means a beverage:

369 (i) that contains at least .5% alcohol by volume;

370 (ii) that is treated by processing, filtration, or another method of manufacture that is not
371 generally recognized as a traditional process in the production of a beer as described in 27
372 C.F.R. Sec. 25.55;

373 (iii) to which is added a flavor or other ingredient containing alcohol, except for a hop
374 extract; and

375 (iv) (A) for which the producer is required to file a formula for approval with the
376 federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or

377 (B) that is not exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55.

378 (b) "Flavored malt beverage" is considered liquor for purposes of this title.

379 ~~[(43)]~~ (44) "Fraternal license" means a license issued in accordance with Chapter 5,
380 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
381 commission as a fraternal license.

382 ~~[(44)]~~ (45) "Full-service restaurant license" means a license issued in accordance with
383 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.

384 ~~[(45)]~~ (46) (a) "Furnish" means by any means to provide with, supply, or give an
385 individual an alcoholic product, by sale or otherwise.

386 (b) "Furnish" includes to:

387 (i) serve;

388 (ii) deliver; or

389 (iii) otherwise make available.

390 ~~[(46)]~~ (47) "Guest" means an individual who meets the requirements of Subsection
391 [32B-6-407\(9\)](#).

392 ~~[(47)]~~ (48) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.

393 ~~[(48)]~~ (49) "Health care practitioner" means:

394 (a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;

395 (b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;

396 (c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;

397 (d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice

398 Act;

399 (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,
400 Nurse Practice Act;

401 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
402 Practice Act;

403 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
404 Therapy Practice Act;

405 (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;

406 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health
407 Professional Practice Act;

408 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;

409 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
410 Practice Act;

411 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
412 Hygienist Practice Act; and

413 (m) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician
414 Assistant Act.

415 [~~(49)~~] (50) (a) "Heavy beer" means a product that:

416 (i) contains more than 5% alcohol by volume; and

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

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

419 (51) "Hospitality amenity sublicense" means a hotel or resort license sublicense issued
420 in accordance with Chapter 8d, Part 3, Hospitality Amenity Sublicense.

421 [~~(50)~~] (52) "Hotel" means a commercial lodging establishment that:

422 (a) offers at least [~~30~~] 40 rooms as temporary sleeping accommodations for
423 compensation;

424 (b) is capable of hosting conventions, conferences, and food and beverage functions
425 under a banquet contract; and

426 (c) (i) has adequate kitchen or culinary facilities on the premises to provide complete
427 meals; or

428 (ii) (A) has at least 1,000 square feet of function space consisting of meeting or dining

429 rooms that can be reserved for private use under a banquet contract ~~[that]~~ and can
430 accommodate at least 75 individuals; or

431 (B) if the establishment is located in a small or unincorporated locality, has an
432 appropriate amount of function space consisting of meeting or dining rooms that can be
433 reserved for private use under a banquet contract, as determined by the commission.

434 ~~[(51)]~~ (53) "Hotel license" means a license issued in accordance with Chapter 5, Retail
435 License Act, and Chapter 8b, Hotel License Act.

436 ~~[(52)]~~ (54) "Identification card" means an identification card issued under Title 53,
437 Chapter 3, Part 8, Identification Card Act.

438 ~~[(53)]~~ (55) "Industry representative" means an individual who is compensated by
439 salary, commission, or other means for representing and selling an alcoholic product of a
440 manufacturer, supplier, or importer of liquor.

441 ~~[(54)]~~ (56) "Industry representative sample" means liquor that is placed in the
442 possession of the department for testing, analysis, and sampling by a local industry
443 representative on the premises of the department to educate the local industry representative of
444 the quality and characteristics of the product.

445 ~~[(55)]~~ (57) "Interdicted person" means a person to whom the sale, offer for sale, or
446 furnishing of an alcoholic product is prohibited by:

447 (a) law; or

448 (b) court order.

449 ~~[(56)]~~ (58) "Intoxicated" means that a person:

450 (a) is significantly impaired as to the person's mental or physical functions as a result of
451 the use of:

452 (i) an alcoholic product;

453 (ii) a controlled substance;

454 (iii) a substance having the property of releasing toxic vapors; or

455 (iv) a combination of Subsections ~~[(56)]~~ (58)(a)(i) through (iii); and

456 (b) exhibits plain and easily observed outward manifestations of behavior or physical
457 signs produced by the overconsumption of an alcoholic product.

458 ~~[(57)]~~ (59) "Investigator" means an individual who is:

459 (a) a department compliance officer; or

460 (b) a nondepartment enforcement officer.
461 [~~(58)~~] "Invitee" means the same as that term is defined in Section ~~32B-8-102.~~
462 [~~(59)~~] (60) "License" means:
463 (a) a retail license;
464 (b) a sublicense;
465 [~~(b)~~] (c) a license issued in accordance with Chapter 11, Manufacturing and Related
466 Licenses Act;
467 [~~(c)~~] (d) a license issued in accordance with Chapter 12, Liquor Warehousing License
468 Act;
469 [~~(d)~~] (e) a license issued in accordance with Chapter 13, Beer Wholesaling License
470 Act; or
471 [~~(e)~~] (f) a license issued in accordance with Chapter 17, Liquor Transport License Act.
472 [~~(60)~~] (61) "Licensee" means a person who holds a license.
473 [~~(61)~~] (62) "Limited-service restaurant license" means a license issued in accordance
474 with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.
475 [~~(62)~~] (63) "Limousine" means a motor vehicle licensed by the state or a local
476 authority, other than a bus or taxicab:
477 (a) in which the driver and a passenger are separated by a partition, glass, or other
478 barrier;
479 (b) that is provided by a business entity to one or more individuals at a fixed charge in
480 accordance with the business entity's tariff; and
481 (c) to give the one or more individuals the exclusive use of the limousine and a driver
482 to travel to one or more specified destinations.
483 [~~(63)~~] (64) (a) (i) "Liquor" means a liquid that:
484 (A) is:
485 (I) alcohol;
486 (II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;
487 (III) a combination of liquids a part of which is spirituous, vinous, or fermented; or
488 (IV) other drink or drinkable liquid; and
489 (B) (I) contains at least .5% alcohol by volume; and
490 (II) is suitable to use for beverage purposes.

491 (ii) "Liquor" includes:

492 (A) heavy beer;

493 (B) wine; and

494 (C) a flavored malt beverage.

495 (b) "Liquor" does not include beer.

496 [~~(64)~~] (65) "Liquor Control Fund" means the enterprise fund created by Section
497 32B-2-301.

498 [~~(65)~~] (66) "Liquor transport license" means a license issued in accordance with
499 Chapter 17, Liquor Transport License Act.

500 [~~(66)~~] (67) "Liquor warehousing license" means a license that is issued:

501 (a) in accordance with Chapter 12, Liquor Warehousing License Act; and

502 (b) to a person, other than a licensed manufacturer, who engages in the importation for
503 storage, sale, or distribution of liquor regardless of amount.

504 [~~(67)~~] (68) "Local authority" means:

505 (a) for premises that are located in an unincorporated area of a county, the governing
506 body of a county;

507 (b) for premises that are located in an incorporated city, town, or metro township, the
508 governing body of the city, town, or metro township; or

509 (c) for premises that are located in a project area as defined in Section 63H-1-201 and
510 in a project area plan adopted by the Military Installation Development Authority under Title
511 63H, Chapter 1, Military Installation Development Authority Act, the Military Installation
512 Development Authority.

513 [~~(68)~~] (69) "Lounge or bar area" is as defined by rule made by the commission.

514 [~~(69)~~] (70) "Manufacture" means to distill, brew, rectify, mix, compound, process,
515 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to
516 others.

517 [~~(70)~~] (71) "Member" means an individual who, after paying regular dues, has full
518 privileges in an equity licensee or fraternal licensee.

519 [~~(71)~~] (72) (a) "Military installation" means a base, air field, camp, post, station, yard,
520 center, or homeport facility for a ship:

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

- 522 (B) of the National Guard;
- 523 (ii) that is located within the state; and
- 524 (iii) including a leased facility.
- 525 (b) "Military installation" does not include a facility used primarily for:
- 526 (i) civil works;
- 527 (ii) a rivers and harbors project; or
- 528 (iii) a flood control project.
- 529 [~~(72)~~] (73) "Minibar" means an area of a hotel guest room where one or more alcoholic
- 530 products are kept and offered for self-service sale or consumption.
- 531 [~~(73)~~] (74) "Minor" means an individual under the age of 21 years.
- 532 [~~(74)~~] (75) "Nondepartment enforcement agency" means an agency that:
- 533 (a) (i) is a state agency other than the department; or
- 534 (ii) is an agency of a county, city, town, or metro township; and
- 535 (b) has a responsibility to enforce one or more provisions of this title.
- 536 [~~(75)~~] (76) "Nondepartment enforcement officer" means an individual who is:
- 537 (a) a peace officer, examiner, or investigator; and
- 538 (b) employed by a nondepartment enforcement agency.
- 539 [~~(76)~~] (77) (a) "Off-premise beer retailer" means a beer retailer who is:
- 540 (i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and
- 541 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
- 542 premises.
- 543 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.
- 544 [~~(77)~~] (78) "Off-premise beer retailer state license" means a state license issued in
- 545 accordance with Chapter 7, Part 4, Off-Premise Beer Retailer State License.
- 546 [~~(78)~~] (79) "On-premise banquet license" means a license issued in accordance with
- 547 Chapter 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.
- 548 [~~(79)~~] (80) "On-premise beer retailer" means a beer retailer who is:
- 549 (a) authorized to sell, offer for sale, or furnish beer under a license issued in
- 550 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer
- 551 Retailer License; and
- 552 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's

553 premises:

554 (i) regardless of whether the beer retailer sells beer for consumption off the licensed

555 premises; and

556 (ii) on and after March 1, 2012, operating:

557 (A) as a tavern; or

558 (B) in a manner that meets the requirements of Subsection [32B-6-703\(2\)\(e\)\(i\)](#).

559 ~~[(80)]~~ [\(81\)](#) "Opaque" means impenetrable to sight.

560 ~~[(81)]~~ [\(82\)](#) "Package agency" means a retail liquor location operated:

561 (a) under an agreement with the department; and

562 (b) by a person:

563 (i) other than the state; and

564 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package

565 Agency, to sell packaged liquor for consumption off the premises of the package agency.

566 ~~[(82)]~~ [\(83\)](#) "Package agent" means a person who holds a package agency.

567 ~~[(83)]~~ [\(84\)](#) "Patron" means an individual to whom food, beverages, or services are sold,
568 offered for sale, or furnished, or who consumes an alcoholic product including:

569 (a) a customer;

570 (b) a member;

571 (c) a guest;

572 (d) an attendee of a banquet or event;

573 (e) an individual who receives room service;

574 (f) a resident of a resort; or

575 ~~[(g) a public customer under a resort spa sublicense, as defined in Section [32B-8-102](#);~~

576 or]

577 ~~[(h) an invitee.]~~

578 (g) a hospitality guest, as defined in Section [32B-8d-102](#), under a hospitality amenity
579 sublicense.

580 ~~[(84)]~~ [\(85\)](#) (a) "Performing arts facility" means a multi-use performance space that:

581 (i) is primarily used to present various types of performing arts, including dance,
582 music, and theater;

583 (ii) contains over 2,500 seats;

584 (iii) is owned and operated by a governmental entity; and
585 (iv) is located in a city of the first class.
586 (b) "Performing arts facility" does not include a space that is used to present sporting
587 events or sporting competitions.

588 [~~(85)~~] (86) "Permittee" means a person issued a permit under:

- 589 (a) Chapter 9, Event Permit Act; or
- 590 (b) Chapter 10, Special Use Permit Act.

591 [~~(86)~~] (87) "Person subject to administrative action" means:

- 592 (a) a licensee;
- 593 (b) a permittee;
- 594 (c) a manufacturer;
- 595 (d) a supplier;
- 596 (e) an importer;
- 597 (f) one of the following holding a certificate of approval:
 - 598 (i) an out-of-state brewer;
 - 599 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
 - 600 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or
- 601 (g) staff of:
 - 602 (i) a person listed in Subsections [~~(86)~~] (87)(a) through (f); or
 - 603 (ii) a package agent.

604 [~~(87)~~] (88) "Premises" means a building, enclosure, or room used in connection with
605 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic
606 product, unless otherwise defined in this title or rules made by the commission.

607 [~~(88)~~] (89) "Prescription" means an order issued by a health care practitioner when:

- 608 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,
609 to prescribe a controlled substance, other drug, or device for medicinal purposes;
- 610 (b) the order is made in the course of that health care practitioner's professional
611 practice; and
- 612 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.

613 (90) (a) "Primary spirituous liquor" means the main distilled spirit in a beverage.

614 (b) "Primary spirituous liquor" does not include a secondary flavoring ingredient.

615 (91) "Principal license" means:

616 (a) a resort license;

617 (b) a hotel license; or

618 (c) an arena license.

619 [~~89~~] (92) (a) "Private event" means a specific social, business, or recreational event:

620 (i) for which an entire room, area, or hall is leased or rented in advance by an identified
621 group; and

622 (ii) that is limited in attendance to people who are specifically designated and their
623 guests.

624 (b) "Private event" does not include an event to which the general public is invited,
625 whether for an admission fee or not.

626 (93) "Privately sponsored event" means a specific social, business, or recreational
627 event:

628 (a) that is held in or on the premises of an on-premise banquet licensee; and

629 (b) to which entry is restricted by an admission fee.

630 [~~90~~] (94) (a) "Proof of age" means:

631 (i) an identification card;

632 (ii) an identification that:

633 (A) is substantially similar to an identification card;

634 (B) is issued in accordance with the laws of a state other than Utah in which the
635 identification is issued;

636 (C) includes date of birth; and

637 (D) has a picture affixed;

638 (iii) a valid driver license certificate that:

639 (A) includes date of birth;

640 (B) has a picture affixed; and

641 (C) is issued:

642 (I) under Title 53, Chapter 3, Uniform Driver License Act; or

643 (II) in accordance with the laws of the state in which it is issued;

644 (iv) a military identification card that:

645 (A) includes date of birth; and

646 (B) has a picture affixed; or
647 (v) a valid passport.
648 (b) "Proof of age" does not include a driving privilege card issued in accordance with
649 Section [53-3-207](#).

650 (95) "Provisions applicable to a sublicense" means:

651 (a) for a full-service restaurant sublicense, the provisions applicable to a full-service
652 restaurant license under Chapter 6, Part 2, Full-Service Restaurant License;

653 (b) for a limited-service restaurant sublicense, the provisions applicable to a
654 limited-service restaurant license under Chapter 6, Part 3, Limited-Service Restaurant License;

655 (c) for a bar establishment sublicense, the provisions applicable to a bar establishment
656 license under Chapter 6, Part 4, Bar Establishment License;

657 (d) for an on-premise banquet sublicense, the provisions applicable to an on-premise
658 banquet license under Chapter 6, Part 6, On-Premise Banquet License;

659 (e) for an on-premise beer retailer sublicense, the provisions applicable to an
660 on-premise beer retailer license under Chapter 6, Part 7, On-Premise Beer Retailer license;

661 (f) for a beer-only restaurant sublicense, the provisions applicable to a beer-only
662 restaurant license under Chapter 6, Part 9, Beer-Only Restaurant License;

663 (g) for a resort spa sublicense, the provisions applicable to the sublicense under
664 Chapter 8d, Part 2, Resort Spa Sublicense; and

665 (h) for a hospitality amenity sublicense, the provisions applicable to the sublicense
666 under Chapter 8d, Part 3, Hospitality Amenity Sublicense.

667 ~~[(94)]~~ (96) (a) "Public building" means a building or permanent structure that is:

668 (i) owned or leased by:

669 (A) the state; or

670 (B) a local government entity; and

671 (ii) used for:

672 (A) public education;

673 (B) transacting public business; or

674 (C) regularly conducting government activities.

675 (b) "Public building" does not include a building owned by the state or a local

676 government entity when the building is used by a person, in whole or in part, for a proprietary

677 function.

678 ~~[(92)]~~ (97) "Public conveyance" means a conveyance that the public or a portion of the
679 public has access to and a right to use for transportation, including an airline, railroad, bus,
680 boat, or other public conveyance.

681 ~~[(93)]~~ (98) "Reception center" means a business that:

682 (a) operates facilities that are at least 5,000 square feet; and

683 (b) has as its primary purpose the leasing of the facilities described in Subsection ~~[(93)]~~
684 (98)(a) to a third party for the third party's event.

685 ~~[(94)]~~ (99) "Reception center license" means a license issued in accordance with
686 Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.

687 ~~[(95)]~~ (100) (a) "Record" means information that is:

688 (i) inscribed on a tangible medium; or

689 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.

690 (b) "Record" includes:

691 (i) a book;

692 (ii) a book of account;

693 (iii) a paper;

694 (iv) a contract;

695 (v) an agreement;

696 (vi) a document; or

697 (vii) a recording in any medium.

698 ~~[(96)]~~ (101) "Residence" means a person's principal place of abode within Utah.

699 ~~[(97)]~~ (102) "Resident," in relation to a resort, means the same as that term is defined
700 in Section [32B-8-102](#).

701 ~~[(98)]~~ (103) "Resort" means the same as that term is defined in Section [32B-8-102](#).

702 ~~[(99)]~~ (104) "Resort facility" is as defined by the commission by rule.

703 (105) "Resort spa sublicense" means a resort license sublicense issued in accordance
704 with Chapter 8d, Part 2, Resort Spa Sublicense.

705 ~~[(100)]~~ (106) "Resort license" means a license issued in accordance with Chapter 5,
706 Retail License Act, and Chapter 8, Resort License Act.

707 ~~[(101)]~~ (107) "Responsible alcohol service plan" means a written set of policies and

708 procedures that outlines measures to prevent employees from:

709 (a) over-serving alcoholic beverages to customers;

710 (b) serving alcoholic beverages to customers who are actually, apparently, or obviously
711 intoxicated; and

712 (c) serving alcoholic beverages to minors.

713 ~~[(102)]~~ (108) "Restaurant" means a business location:

714 (a) at which a variety of foods are prepared;

715 (b) at which complete meals are served; and

716 (c) that is engaged primarily in serving meals.

717 (109) "Restaurant license" means one of the following licenses issued under this title:

718 (a) a full-service restaurant license;

719 (b) a limited-service restaurant license; or

720 (c) a beer-only restaurant license.

721 ~~[(103)]~~ (110) "Retail license" means one of the following licenses issued under this
722 title:

723 (a) a full-service restaurant license;

724 (b) a master full-service restaurant license;

725 (c) a limited-service restaurant license;

726 (d) a master limited-service restaurant license;

727 (e) a bar establishment license;

728 (f) an airport lounge license;

729 (g) an on-premise banquet license;

730 (h) an on-premise beer license;

731 (i) a reception center license;

732 (j) a beer-only restaurant license;

733 (k) a resort license; ~~[or]~~

734 (l) a hotel license~~[-];~~ or

735 (m) an arena license.

736 ~~[(104)]~~ (111) "Room service" means furnishing an alcoholic product to a person in a
737 guest room of a:

738 (a) hotel; or

739 (b) resort facility.

740 [~~(105)~~ (a) "School" means a building used primarily for the general education of
741 minors.]

742 (112) (a) "School" means a building in which any part is used as a public or private:

743 (i) elementary school;

744 (ii) secondary school; or

745 (iii) kindergarten.

746 (b) "School" does not include [~~an educational facility.~~]:

747 (i) a nursery school;

748 (ii) an infant day care center;

749 (iii) a trade and technical school;

750 (iv) a preschool; or

751 (v) a home school.

752 (113) "Secondary flavoring ingredient" means any spirituous liquor added to a
753 beverage for additional flavoring that is different in type, flavor, or brand from the primary
754 spirituous liquor in the beverage.

755 [~~(106)~~] (114) "Sell" or "offer for sale" means a transaction, exchange, or barter
756 whereby, for consideration, an alcoholic product is either directly or indirectly transferred,
757 solicited, ordered, delivered for value, or by a means or under a pretext is promised or
758 obtained, whether done by a person as a principal, proprietor, or as staff, unless otherwise
759 defined in this title or the rules made by the commission.

760 [~~(107)~~] (115) "Serve" means to place an alcoholic product before an individual.

761 [~~(108)~~] (116) "Sexually oriented entertainer" means a person who while in a state of
762 seminudity appears at or performs:

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

764 (b) on the premises of:

765 (i) a bar licensee; or

766 (ii) a tavern;

767 (c) on behalf of or at the request of the licensee described in Subsection [~~(108)~~]

768 (116)(b);

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

770 (e) whether or not the person is designated as:

771 (i) an employee;

772 (ii) an independent contractor;

773 (iii) an agent of the licensee; or

774 (iv) a different type of classification.

775 (117) "Shared seating area" means the licensed premises of two or more restaurant
776 licensees that the restaurant licensees share as an area for alcoholic beverage consumption in
777 accordance with Subsection [32B-5-207\(3\)](#).

778 [~~(109)~~] (118) "Single event permit" means a permit issued in accordance with Chapter
779 9, Part 3, Single Event Permit.

780 [~~(110)~~] (119) "Small brewer" means a brewer who manufactures less than 60,000
781 barrels of beer, heavy beer, and flavored malt beverages per year.

782 [~~(111)~~] (120) "Small or unincorporated locality" means:

783 (a) a city of the third, fourth, or fifth class, as classified under Section [10-2-301](#);

784 (b) a town, as classified under Section [10-2-301](#); or

785 (c) an unincorporated area in a county of the third, fourth, or fifth class, as classified
786 under Section [17-50-501](#).

787 [~~(112)~~] (121) "Special use permit" means a permit issued in accordance with Chapter
788 10, Special Use Permit Act.

789 [~~(113)~~] (122) (a) "Spirituous liquor" means liquor that is distilled.

790 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
791 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

792 [~~(114)~~] (123) "Sports center" is as defined by the commission by rule.

793 [~~(115)~~] (124) (a) "Staff" means an individual who engages in activity governed by this
794 title:

795 (i) on behalf of a business, including a package agent, licensee, permittee, or certificate
796 holder;

797 (ii) at the request of the business, including a package agent, licensee, permittee, or
798 certificate holder; or

799 (iii) under the authority of the business, including a package agent, licensee, permittee,
800 or certificate holder.

801 (b) "Staff" includes:

802 (i) an officer;

803 (ii) a director;

804 (iii) an employee;

805 (iv) personnel management;

806 (v) an agent of the licensee, including a managing agent;

807 (vi) an operator; or

808 (vii) a representative.

809 [(H6)] (125) "State of nudity" means:

810 (a) the appearance of:

811 (i) the nipple or areola of a female human breast;

812 (ii) a human genital;

813 (iii) a human pubic area; or

814 (iv) a human anus; or

815 (b) a state of dress that fails to opaquely cover:

816 (i) the nipple or areola of a female human breast;

817 (ii) a human genital;

818 (iii) a human pubic area; or

819 (iv) a human anus.

820 [(H7)] (126) "State of seminudity" means a state of dress in which opaque clothing

821 covers no more than:

822 (a) the nipple and areola of the female human breast in a shape and color other than the

823 natural shape and color of the nipple and areola; and

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

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

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

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

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

829 [(H8)] (127) (a) "State store" means a facility for the sale of packaged liquor:

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

831 (ii) operated by a state employee.

832 (b) "State store" does not include:

833 (i) a package agency;

834 (ii) a licensee; or

835 (iii) a permittee.

836 ~~[(119)]~~ (128) (a) "Storage area" means an area on licensed premises where the licensee
837 stores an alcoholic product.

838 (b) "Store" means to place or maintain in a location an alcoholic product.

839 ~~[(120)]~~ (129) "Sublicense" means ~~[the same as that term is defined in Section~~
840 ~~32B-8-102 or 32B-8b-102.];~~

841 (a) any of the following licenses issued as a subordinate license to, and contingent on
842 the issuance of, a principal license:

843 (i) a full-service restaurant license;

844 (ii) a limited-service restaurant license;

845 (iii) a bar establishment license;

846 (iv) an on-premise banquet license;

847 (v) an on-premise beer retailer license; or

848 (vi) a beer-only restaurant license;

849 (b) a hospitality amenity sublicense; or

850 (c) a resort spa sublicense.

851 ~~[(121)]~~ (130) "Supplier" means a person who sells an alcoholic product to the
852 department.

853 ~~[(122)]~~ (131) "Tavern" means an on-premise beer retailer who is:

854 (a) issued a license by the commission in accordance with Chapter 5, Retail License
855 Act, and Chapter 6, Part 7, On-Premise Beer Retailer License; and

856 (b) designated by the commission as a tavern in accordance with Chapter 6, Part 7,
857 On-Premise Beer Retailer License.

858 ~~[(123)]~~ (132) "Temporary beer event permit" means a permit issued in accordance with
859 Chapter 9, Part 4, Temporary Beer Event Permit.

860 ~~[(124)]~~ (133) "Temporary domicile" means the principal place of abode within Utah of
861 a person who does not have a present intention to continue residency within Utah permanently
862 or indefinitely.

863 [~~(125)~~] (134) "Translucent" means a substance that allows light to pass through, but
864 does not allow an object or person to be seen through the substance.

865 [~~(126)~~] (135) "Unsaleable liquor merchandise" means a container that:

866 (a) is unsaleable because the container is:

867 (i) unlabeled;

868 (ii) leaky;

869 (iii) damaged;

870 (iv) difficult to open; or

871 (v) partly filled;

872 (b) (i) has faded labels or defective caps or corks;

873 (ii) has contents that are:

874 (A) cloudy;

875 (B) spoiled; or

876 (C) chemically determined to be impure; or

877 (iii) contains:

878 (A) sediment; or

879 (B) a foreign substance; or

880 (c) is otherwise considered by the department as unfit for sale.

881 [~~(127)~~] (136) (a) "Wine" means an alcoholic product obtained by the fermentation of
882 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or
883 not another ingredient is added.

884 (b) "Wine" includes:

885 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.
886 4.10; and

887 (ii) hard cider.

888 (c) "Wine" is considered liquor for purposes of this title, except as otherwise provided
889 in this title.

890 [~~(128)~~] (137) "Winery manufacturing license" means a license issued in accordance
891 with Chapter 11, Part 3, Winery Manufacturing License.

892 Section 2. Section **32B-1-202** is amended to read:

893 **32B-1-202. Proximity to community location.**

894 (1) As used in this section:

895 (a) (i) "Outlet" means:

896 (A) a state store;

897 (B) a package agency; or

898 (C) a retail licensee.

899 (ii) "Outlet" does not include:

900 (A) an airport lounge licensee; or

901 (B) a restaurant.

902 (b) "Restaurant" means:

903 (i) a full-service restaurant licensee;

904 (ii) a limited-service restaurant licensee; or

905 (iii) a beer-only restaurant licensee.

906 (2) (a) The commission may not issue a license for an outlet if, on the date the
907 commission takes final action to approve or deny the application, there is a community
908 location:

909 (i) within 600 feet of the proposed outlet, as measured from the nearest patron entrance
910 of the proposed outlet by following the shortest route of ordinary pedestrian travel to the
911 property boundary of the community location; or

912 (ii) within 200 feet of the proposed outlet, measured in a straight line from the nearest
913 patron entrance of the proposed outlet to the nearest property boundary of the community
914 location.

915 (b) The commission may not issue a license for a restaurant if, on the date the
916 commission takes final action to approve or deny the application, there is a community
917 location:

918 (i) within 300 feet of the proposed restaurant, as measured from the nearest patron
919 entrance of the proposed restaurant by following the shortest route of ordinary pedestrian travel
920 to the property boundary of the community location; or

921 (ii) within 200 feet of the proposed restaurant, measured in a straight line from the
922 nearest patron entrance of the proposed restaurant to the nearest property boundary of the
923 community location.

924 (3) (a) For an outlet or a restaurant that holds a license on May 9, 2017, and operates

925 under a previously approved variance to one or more proximity requirements in effect before
926 May 9, 2017, subject to the other provisions of this title, that outlet or restaurant, or another
927 outlet or restaurant with the same type of license as that outlet or restaurant, may operate under
928 the previously approved variance regardless of whether:

929 (i) the outlet or restaurant changes ownership;
930 (ii) the property on which the outlet or restaurant is located changes ownership; or
931 (iii) there is a lapse in the use of the property as an outlet or a restaurant with the same
932 type of license, unless during the lapse, the property is used for a different purpose.

933 (b) An outlet or a restaurant that has continuously operated at a location since before
934 January 1, 2007, is considered to have a previously approved variance.

935 (4) An outlet or restaurant that holds a license on May 12, 2020, and operates in
936 accordance with the proximity requirements in effect at the time the commission issued the
937 license or operates under a previously approved variance described in Subsection (3), subject to
938 the other provisions of this title, that outlet or restaurant or an outlet or a restaurant with the
939 same type of license as that outlet or restaurant may operate at the premises regardless of
940 whether:

941 (a) the outlet or restaurant changes ownership;
942 (b) the property on which the outlet or restaurant is located changes ownership; or
943 (c) there is a lapse of one year or less in the use of the property as an outlet or a
944 restaurant with the same type of license, unless during the lapse the property is used for a
945 different purpose.

946 [~~4~~] (5) (a) If, after an outlet or a restaurant obtains a license under this title, a person
947 establishes a community location on a property that puts the outlet or restaurant in violation of
948 the proximity requirements in effect at the time the license is issued or a previously approved
949 variance described in Subsection (3), subject to the other provisions of this title, that outlet or
950 restaurant, or an outlet or a restaurant with the same type of license as that outlet or restaurant,
951 may operate at the premises regardless of whether:

952 (i) the outlet or restaurant changes ownership;
953 (ii) the property on which the outlet or restaurant is located changes ownership; or
954 (iii) there is a lapse in the use of the property as an outlet or a restaurant with the same
955 type of license, unless during the lapse the property is used for a different purpose.

956 (b) The provisions of this Subsection [~~(4)~~] (5) apply regardless of when the outlet's or
957 restaurant's license is issued.

958 [~~(5)~~] (6) Nothing in this section prevents the commission from considering the
959 proximity of an educational, religious, and recreational facility, or any other relevant factor in
960 reaching a decision on a proposed location of an outlet.

961 Section 3. Section **32B-1-206** is amended to read:

962 **32B-1-206. Advertising prohibited -- Exceptions.**

963 (1) (a) The department may not advertise liquor, except:

964 (i) the department may provide for an appropriate sign in the window or on the front of
965 a state store or package agency denoting that it is a state authorized liquor retail facility;

966 (ii) the department or a package agency may provide a printed price list to the public;

967 (iii) the department may authorize the use of price posting and floor stacking of liquor
968 within a state store;

969 (iv) subject to Subsection (1)(b), the department may provide a listing of the address
970 and telephone number of a state store in one or more printed or electronic directories available
971 to the general public; and

972 (v) subject to Subsection (1)(b), a package agency may provide a listing of its address
973 and telephone number in one or more printed or electronic directories available to the general
974 public.

975 (b) A listing under Subsection (1)(a)(iv) or (v) in the business or yellow pages of a
976 telephone directory may not be displayed in an advertisement or other promotional format.

977 (2) (a) The department may not advertise an alcoholic product on a billboard.

978 (b) A package agency may not advertise an alcoholic product on a billboard, except to
979 the extent allowed by the commission by rule.

980 (3) (a) The department may not display liquor or a price list in a window or showcase
981 visible to passersby.

982 (b) A package agency may not display liquor or a price list in a window or showcase
983 visible to passersby, except to the extent allowed by the commission by rule.

984 (4) Advertising of an alcoholic product may not:

985 (a) promote the intoxicating effects of alcohol; or

986 (b) emphasize the high alcohol content of the alcoholic product.

987 ~~[(4)]~~ (5) Except to the extent prohibited by this title, the advertising of an alcoholic
988 product is allowed under guidelines established by the commission by rule.

989 ~~[(5)]~~ (6) The advertising or use of any means or media to offer an alcoholic product to
990 the general public without charge is prohibited.

991 Section 4. Section **32B-1-208** is enacted to read:

992 **32B-1-208. Percentage lease agreements.**

993 (1) As used in this section:

994 (a) "Percentage lease agreement" means a lease agreement in which the lessee:

995 (i) is a retail licensee; and

996 (ii) pays the lessor:

997 (A) a base rent; and

998 (B) percentage rent.

999 (b) "Percentage rent" means a percentage:

1000 (i) agreed upon between a lessor and lessee; and

1001 (ii) of the total sales revenue that:

1002 (A) exceed a fixed dollar amount of sales revenue; and

1003 (B) the lessee earns while doing business on the rental premises.

1004 (2) (a) The parties to a percentage lease agreement shall submit a copy of the
1005 percentage lease agreement to the department.

1006 (b) If there is a material change to the percentage lease agreement submitted to the
1007 department under Subsection (2)(a), the parties to the percentage lease agreement shall
1008 promptly submit a copy of the changed percentage lease agreement to the department.

1009 (3) If a percentage lease agreement requires a retail licensee to pay the lessor a
1010 percentage rent of 6% or less, the department may not conduct any further investigation into
1011 the percentage lease agreement.

1012 (4) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah
1013 Administrative Rulemaking Act, establishing:

1014 (a) the maximum percentage of revenue from alcohol sales a percentage lease
1015 agreement may require; and

1016 (b) the procedure for submitting a percentage lease agreement under Subsection (2).

1017 Section 5. Section **32B-1-304** is amended to read:

1018 **32B-1-304. Qualifications for a package agency, license, or permit -- Minors.**

1019 (1) (a) [~~The~~] Except as provided in Subsection (7), the commission may not issue a
1020 package agency, license, or permit to a person who has been convicted of:

1021 (i) within seven years before the day on which the commission issues the package
1022 agency, license, or permit, a felony under a federal law or state law;

1023 (ii) within four years before the day on which the commission issues the package
1024 agency, license, or permit:

1025 (A) a violation of a federal law, state law, or local ordinance concerning the sale, offer
1026 for sale, warehousing, manufacture, distribution, transportation, or adulteration of an alcoholic
1027 product; or

1028 (B) a crime involving moral turpitude; or

1029 (iii) on two or more occasions within the five years before the day on which the
1030 package agency, license, or permit is issued, driving under the influence of alcohol, drugs, or
1031 the combined influence of alcohol and drugs.

1032 (b) If the person is a partnership, corporation, or limited liability company, the
1033 proscription under Subsection (1)(a) applies if any of the following has been convicted of an
1034 offense described in Subsection (1)(a):

1035 (i) a partner;

1036 (ii) a managing agent;

1037 (iii) a manager;

1038 (iv) an officer;

1039 (v) a director;

1040 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of
1041 the corporation; or

1042 (vii) a member who owns at least 20% of the limited liability company.

1043 (c) [~~The~~] Except as provided in Subsection (7), the proscription under Subsection
1044 (1)(a) applies if a person who is employed to act in a supervisory or managerial capacity for a
1045 package agency, licensee, or permittee has been convicted of an offense described in
1046 Subsection (1)(a).

1047 (2) [~~The~~] Except as described in Section [32B-8-501](#), the commission may immediately
1048 suspend or revoke a package agency, license, or permit, and terminate a package agency

1049 agreement, if a person described in Subsection (1):

1050 (a) after the day on which the package agency, license, or permit is issued, is found to
1051 have been convicted of an offense described in Subsection (1)(a) before the package agency,
1052 license, or permit is issued; or

1053 (b) on or after the day on which the package agency, license, or permit is issued:

1054 (i) is convicted of an offense described in Subsection (1)(a)(i) or (ii); or

1055 (ii) (A) is convicted of driving under the influence of alcohol, drugs, or the combined
1056 influence of alcohol and drugs; and

1057 (B) was convicted of driving under the influence of alcohol, drugs, or the combined
1058 influence of alcohol and drugs within five years before the day on which the person is
1059 convicted of the offense described in Subsection (2)(b)(ii)(A).

1060 (3) [~~The~~] Except as described in Section [32B-8-501](#), the director may take emergency
1061 action by immediately suspending the operation of the package agency, licensee, or permittee
1062 for the period during which a criminal matter is being adjudicated if a person described in
1063 Subsection (1):

1064 (a) is arrested on a charge for an offense described in Subsection (1)(a)(i) or (ii); or

1065 (b) (i) is arrested on a charge for the offense of driving under the influence of alcohol,
1066 drugs, or the combined influence of alcohol and drugs; and

1067 (ii) was convicted of driving under the influence of alcohol, drugs, or the combined
1068 influence of alcohol and drugs within five years before the day on which the person is arrested
1069 on a charge described in Subsection (3)(b)(i).

1070 (4) (a) (i) The commission may not issue a package agency, license, or permit to a
1071 person who has had any type of agency, license, or permit issued under this title revoked within
1072 the last three years.

1073 (ii) The commission may not issue a package agency, license, or permit to a
1074 partnership, corporation, or limited liability company if a partner, managing agent, manager,
1075 officer, director, stockholder who holds at least 20% of the total issued and outstanding stock
1076 of the corporation, or member who owns at least 20% of the limited liability company is or
1077 was:

1078 (A) a partner or managing agent of a partnership that had any type of agency, license,
1079 or permit issued under this title revoked within the last three years;

1080 (B) a managing agent, officer, director, or stockholder who holds or held at least 20%
1081 of the total issued and outstanding stock of any corporation that had any type of agency,
1082 license, or permit issued under this title revoked within the last three years; or

1083 (C) a manager or member who owns or owned at least 20% of a limited liability
1084 company that had any type of agency, license, or permit issued under this title revoked within
1085 the last three years.

1086 (b) The commission may not issue a package agency, licence, or permit to a
1087 partnership, corporation, or limited liability company if any of the following had any type of
1088 agency, license, or permit issued under this title revoked while acting in that person's individual
1089 capacity within the last three years:

1090 (i) a partner or managing agent of a partnership;

1091 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the
1092 total issued and outstanding stock of a corporation; or

1093 (iii) a manager or member who owns at least 20% of a limited liability company.

1094 (c) The commission may not issue a package agency, license, or permit to a person
1095 acting in an individual capacity if that person was:

1096 (i) a partner or managing agent of a partnership that had any type of agency, license, or
1097 permit issued under this title revoked within the last three years;

1098 (ii) a managing agent, officer, director, or stockholder who held at least 20% of the
1099 total issued and outstanding stock of a corporation that had any type of agency, license, or
1100 permit issued under this title revoked within the last three years; or

1101 (iii) a manager or member who owned at least 20% of the limited liability company
1102 that had any type of agency, license, or permit issued under this title revoked within the last
1103 three years.

1104 (5) (a) The commission may not issue a package agency, license, or permit to a minor.

1105 (b) The commission may not issue a package agency, license, or permit to a
1106 partnership, corporation, or limited liability company if any of the following is a minor:

1107 (i) a partner or managing agent of the partnership;

1108 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the
1109 total issued and outstanding stock of the corporation; or

1110 (iii) a manager or member who owns at least 20% of the limited liability company.

1111 (6) [Hf] Except as described in Section 32B-8-501, if a package agent, licensee, or
1112 permittee no longer possesses the qualifications required by this title for obtaining a package
1113 agency, license, or permit, the commission may terminate the package agency agreement, or
1114 revoke the license or permit.

1115 (7) If the licensee is a resort licensee:

1116 (a) Subsection (1)(a) only applies if an individual listed in Subsection (1)(b) engages in
1117 the management of the resort, as the commission defines in rule; and

1118 (b) Subsection (1)(c) only applies to an individual employed to act in a supervisory or
1119 managerial capacity for the resort licensee or in relation to a sublicense of the resort license.

1120 Section 6. Section **32B-1-305** is amended to read:

1121 **32B-1-305. Requirement for a background check.**

1122 (1) The department shall require an individual listed in Subsection (2), in accordance
1123 with this part, to:

1124 (a) provide a signed waiver from the individual whose fingerprints may be registered in
1125 the Federal Bureau of Investigation Rap Back system that notifies the signee:

1126 (i) that a criminal history background check will be conducted;

1127 (ii) who will see the information; and

1128 (iii) how the information will be used;

1129 (b) submit to a background check in a form acceptable to the department; and

1130 (c) consent to a background check by:

1131 (i) the Utah Bureau of Criminal Identification; and

1132 (ii) the Federal Bureau of Investigation.

1133 (2) The following shall comply with Subsection (1):

1134 (a) an individual applying for employment with the department if:

1135 (i) the department makes the decision to offer the individual employment with the
1136 department; and

1137 (ii) once employed, the individual will receive benefits;

1138 (b) an individual applying to the commission to operate a package agency;

1139 (c) an individual applying to the commission for a license, unless the license is an
1140 off-premise beer retailer state license;

1141 (d) an individual who with regard to an entity that is applying to the commission to

1142 operate a package agency or for a license is:

1143 (i) a partner;

1144 (ii) a managing agent;

1145 (iii) a manager;

1146 (iv) an officer;

1147 (v) a director;

1148 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of a
1149 corporation;

1150 (vii) a member who owns at least 20% of a limited liability company; or

1151 (viii) an individual employed to act in a supervisory or managerial capacity; or

1152 (e) an individual who becomes involved with an entity that operates a package agency

1153 or holds a license, if the individual is in a capacity listed in Subsection (2)(d) on or after the day

1154 on which the entity:

1155 (i) is approved to operate a package agency; or

1156 (ii) is licensed by the commission.

1157 (3) (a) Except as provided in Subsection (3)(b), the commission may not require an
1158 individual to comply with Subsection (1) based on the individual's position with or ownership
1159 interest in an entity that has an ownership interest in the entity that is applying for the package
1160 agency or license.

1161 (b) The commission may require an individual described in Subsection (3)(a) to
1162 comply with Subsection (1) if the individual exercises direct decision making control over the
1163 day-to-day operations of the package agency or licensee.

1164 (4) The department shall require compliance with Subsection (2)(e) as a condition of
1165 an entity's:

1166 (a) continued operation of a package agency; or

1167 (b) renewal of a license.

1168 (5) The department may require as a condition of continued employment that a
1169 department employee:

1170 (a) submit to a background check in a form acceptable to the department; and

1171 (b) consent to a fingerprint criminal background check by:

1172 (i) the Utah Bureau of Criminal Identification; and

1173 (ii) the Federal Bureau of Investigation.

1174 Section 7. Section **32B-1-607** is amended to read:

1175 **32B-1-607. Rulemaking authority.**

1176 (1) The commission may adopt rules necessary to implement this part.

1177 (2) Notwithstanding Subsections **32B-1-102**~~[(10)]~~(12) and ~~[(49)]~~ (50), in accordance
1178 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make
1179 rules that allow for a tolerance in the alcohol content of beer or heavy beer as follows:

1180 (a) up to 0.18% above or below when measured by volume; or

1181 (b) up to 0.15% above or below when measured by weight.

1182 Section 8. Section **32B-2-202** is amended to read:

1183 **32B-2-202. Powers and duties of the commission.**

1184 (1) The commission shall:

1185 (a) consistent with the policy established by the Legislature by statute, act as a general
1186 policymaking body on the subject of alcoholic product control;

1187 (b) adopt and issue policies, rules, and procedures;

1188 (c) set policy by written rules that establish criteria and procedures for:

1189 (i) issuing, denying, not renewing, suspending, or revoking a package agency, license,
1190 permit, or certificate of approval; and

1191 (ii) determining the location of a state store, package agency, or retail licensee;

1192 (d) decide within the limits, and under the conditions imposed by this title, the number
1193 and location of state stores, package agencies, and retail licensees in the state;

1194 (e) issue, deny, suspend, revoke, or not renew the following package agencies, licenses,
1195 permits, or certificates of approval for the purchase, storage, sale, offer for sale, furnishing,
1196 consumption, manufacture, and distribution of an alcoholic product:

1197 (i) a package agency;

1198 (ii) a full-service restaurant license;

1199 (iii) a master full-service restaurant license;

1200 (iv) a limited-service restaurant license;

1201 (v) a master limited-service restaurant license;

1202 (vi) a bar establishment license;

1203 (vii) an airport lounge license;

- 1204 (viii) an on-premise banquet license;
- 1205 (ix) a resort license, [~~under which at least~~] which includes four or more sublicenses
- 1206 [~~may be included~~];
- 1207 (x) an on-premise beer retailer license;
- 1208 (xi) a reception center license;
- 1209 (xii) a beer-only restaurant license;
- 1210 (xiii) a hotel license, [~~under which at least~~] which includes three or more sublicenses
- 1211 [~~may be included~~];
- 1212 (xiv) an arena license, which includes three or more sublicenses;
- 1213 [~~(xiv)~~] (xv) subject to Subsection (4), a single event permit;
- 1214 [~~(xv)~~] (xvi) subject to Subsection (4), a temporary beer event permit;
- 1215 [~~(xvi)~~] (xvii) a special use permit;
- 1216 [~~(xvii)~~] (xviii) a manufacturing license;
- 1217 [~~(xviii)~~] (xvix) a liquor warehousing license;
- 1218 [~~(xix)~~] (xx) a beer wholesaling license;
- 1219 [~~(xx)~~] (xxi) a liquor transport license;
- 1220 [~~(xxi)~~] (xxii) an off-premise beer retailer state license;
- 1221 [~~(xxii)~~] (xxiii) a master off-premise beer retailer state license; and
- 1222 [~~(xxiii)~~] (xxiv) one of the following that holds a certificate of approval:
- 1223 (A) an out-of-state brewer;
- 1224 (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and
- 1225 (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages;
- 1226 (f) issue, deny, suspend, or revoke the following conditional licenses:
- 1227 (i) a conditional retail license as defined in Section [32B-5-205](#); and
- 1228 (ii) a conditional off-premise beer retailer state license as defined in Section
- 1229 [32B-7-406](#);
- 1230 (g) prescribe the duties of the department in assisting the commission in issuing a
- 1231 package agency, license, permit, or certificate of approval under this title;
- 1232 (h) to the extent a fee is not specified in this title, establish a fee allowed under this title
- 1233 in accordance with Section [63J-1-504](#);
- 1234 (i) fix prices at which liquor is sold that are the same at all state stores, package

- 1235 agencies, and retail licensees;
- 1236 (j) issue and distribute price lists showing the price to be paid by a purchaser for each
1237 class, variety, or brand of liquor kept for sale by the department;
- 1238 (k) (i) require the director to follow sound management principles; and
1239 (ii) require periodic reporting from the director to ensure that:
1240 (A) sound management principles are being followed; and
1241 (B) policies established by the commission are being observed;
- 1242 (l) (i) receive, consider, and act in a timely manner upon the reports, recommendations,
1243 and matters submitted by the director to the commission; and
1244 (ii) do the things necessary to support the department in properly performing the
1245 department's duties;
- 1246 (m) obtain temporarily and for special purposes the services of an expert or person
1247 engaged in the practice of a profession, or a person who possesses a needed skill if:
1248 (i) considered expedient; and
1249 (ii) approved by the governor;
- 1250 (n) prescribe by rule the conduct, management, and equipment of premises upon which
1251 an alcoholic product may be stored, sold, offered for sale, furnished, or consumed;
- 1252 (o) make rules governing the credit terms of beer sales within the state to retail
1253 licensees; and
- 1254 (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take
1255 disciplinary action against a person subject to administrative action.
- 1256 (2) Consistent with the policy established by the Legislature by statute, the power of
1257 the commission to do the following is plenary, except as otherwise provided by this title, and
1258 not subject to review:
- 1259 (a) establish a state store;
1260 (b) issue authority to act as a package agent or operate a package agency; and
1261 (c) issue ~~[or]~~₂ deny, or deem forfeit a license, permit, or certificate of approval.
- 1262 (3) If the commission is authorized or required to make a rule under this title, the
1263 commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative
1264 Rulemaking Act.
- 1265 (4) Notwithstanding Subsections ~~[(1)(e)(xiv) and (xv)]~~ (1)(e)(xv) and (xvi), the

1266 director or deputy director may issue an event permit in accordance with Chapter 9, Event
1267 Permit Act.

1268 Section 9. Section **32B-2-605** is amended to read:

1269 **32B-2-605. Operational requirements for package agency.**

1270 (1) (a) A person may not operate a package agency until a package agency agreement is
1271 entered into by the package agent and the department.

1272 (b) A package agency agreement shall state the conditions of operation by which the
1273 package agent and the department are bound.

1274 (c) (i) If a package agent or staff of the package agent violates this title, rules under this
1275 title, or the package agency agreement, the department may take any action against the package
1276 agent that is allowed by the package agency agreement.

1277 (ii) An action against a package agent is governed solely by its package agency
1278 agreement and may include suspension or revocation of the package agency.

1279 (iii) A package agency agreement shall provide procedures to be followed if a package
1280 agent fails to pay money owed to the department including a procedure for replacing the
1281 package agent or operator of the package agency.

1282 (iv) A package agency agreement shall provide that the package agency is subject to
1283 covert investigations for selling an alcoholic product to a minor.

1284 (v) Notwithstanding that this part refers to "package agency" or "package agent," staff
1285 of the package agency or package agent is subject to the same requirement or prohibition.

1286 (2) (a) A package agency shall be operated by an individual who is either:

1287 (i) the package agent; or

1288 (ii) an individual designated by the package agent.

1289 (b) An individual who is a designee under this Subsection (2) shall be:

1290 (i) an employee of the package agent; and

1291 (ii) responsible for the operation of the package agency.

1292 (c) The conduct of the designee is attributable to the package agent.

1293 (d) A package agent shall submit the name of the person operating the package agency
1294 to the department for the department's approval.

1295 (e) A package agent shall state the name and title of a designee on the application for a
1296 package agency.

- 1297 (f) A package agent shall:
- 1298 (i) inform the department of a proposed change in the individual designated to operate
- 1299 a package agency; and
- 1300 (ii) receive prior approval from the department before implementing the change
- 1301 described in this Subsection (2)(f).
- 1302 (g) Failure to comply with the requirements of this Subsection (2) may result in the
- 1303 immediate termination of a package agency agreement.
- 1304 (3) (a) A package agent shall display in a prominent place in the package agency the
- 1305 record issued by the commission that designates the package agency.
- 1306 (b) A package agent that displays or stores liquor at a location visible to the public
- 1307 shall display in a prominent place in the package agency a sign in large letters that consists of
- 1308 text in the following order:
- 1309 (i) a header that reads: "WARNING";
- 1310 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
- 1311 can cause birth defects and permanent brain damage for the child.";
- 1312 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
- 1313 [insert most current toll-free number] with questions or for more information.";
- 1314 (iv) a header that reads: "WARNING"; and
- 1315 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
- 1316 serious crime that is prosecuted aggressively in Utah."
- 1317 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
- 1318 font style than the text described in Subsections (3)(b)(iv) and (v).
- 1319 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
- 1320 same font size.
- 1321 (d) The Department of Health shall work with the commission and department to
- 1322 facilitate consistency in the format of a sign required under this section.
- 1323 (4) A package agency may not display liquor or a price list in a window or showcase
- 1324 that is visible to passersby.
- 1325 (5) (a) A package agency may not purchase liquor from a person except from the
- 1326 department.
- 1327 (b) At the discretion of the department, the department may provide liquor [~~may be~~

1328 ~~provided by the department]~~ to a package agency for sale on consignment.

1329 (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place
1330 other than as designated in the package agent's application, unless the package agent first
1331 applies for and receives approval from the department for a change of location within the
1332 package agency premises.

1333 (7) (a) ~~[A]~~ Except as provided in Subsection (7)(b), a package agency may not sell,
1334 offer for sale, or furnish liquor except at a price fixed by the commission.

1335 (b) A package agency may provide as room service one alcoholic product free of
1336 charge per guest room, if;

1337 (i) the package agency is the type of package agency that authorizes the package
1338 agency to sell, offer for sale, or furnish an alcoholic product as part of room service;

1339 (ii) staff of the package agency provides the alcoholic product:

1340 (A) in person; and

1341 (B) only to an adult guest in the guest room;

1342 (iii) staff of the package agency does not leave the alcoholic product outside a guest
1343 room for retrieval by a guest; and

1344 (iv) the alcoholic product is in an unopened container not to exceed 750 milliliters.

1345 (8) A package agency may not sell, offer for sale, or furnish liquor to:

1346 (a) a minor;

1347 (b) a person actually, apparently, or obviously intoxicated;

1348 (c) a known interdicted person; or

1349 (d) a known habitual drunkard.

1350 (9) (a) A package agency may not employ a minor to handle liquor.

1351 (b) (i) Staff of a package agency may not:

1352 (A) consume an alcoholic product on the premises of a package agency; or

1353 (B) allow any person to consume an alcoholic product on the premises of a package
1354 agency.

1355 (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.

1356 (10) (a) A package agency may not close or cease operation for a period longer than 72
1357 hours, unless:

1358 (i) the package agency notifies the department in writing at least seven days before the

- 1359 [~~closing~~] day on which the package agency closes or ceases operation; and
- 1360 (ii) the closure or cessation of operation is first approved by the department.
- 1361 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
- 1362 agency shall immediately notify the department by telephone.
- 1363 (c) (i) The department may authorize a closure or cessation of operation for a period
- 1364 not to exceed 60 days.
- 1365 (ii) The department may extend the initial period described in Subsection (10)(c)(i) an
- 1366 additional 30 days upon written request of the package agency and upon a showing of good
- 1367 cause.
- 1368 (iii) A closure or cessation of operation may not exceed a total of 90 days without
- 1369 commission approval.
- 1370 (d) The notice required by Subsection (10)(a) shall include:
- 1371 (i) the dates of closure or cessation of operation;
- 1372 (ii) the reason for the closure or cessation of operation; and
- 1373 (iii) the date on which the package agency will reopen or resume operation.
- 1374 (e) Failure of a package agency to provide notice and to obtain department
- 1375 authorization before closure or cessation of operation results in an automatic termination of the
- 1376 package agency agreement effective immediately.
- 1377 (f) Failure of a package agency to reopen or resume operation by the approved date
- 1378 results in an automatic termination of the package agency agreement effective on that date.
- 1379 (11) A package agency may not transfer [~~its~~] the package agency's operations from one
- 1380 location to another location without prior written approval of the commission.
- 1381 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,
- 1382 exchange, barter, give, or attempt in any way to dispose of the package agency to another
- 1383 person, whether for monetary gain or not.
- 1384 (b) A package agency has no monetary value for any type of disposition.
- 1385 (13) (a) Subject to the other provisions of this Subsection (13):
- 1386 (i) sale or delivery of liquor may not be made on or from the premises of a package
- 1387 agency, and a package agency may not be kept open for the sale of liquor:
- 1388 (A) on Sunday; or
- 1389 (B) on a state or federal legal holiday.

1390 (ii) Sale or delivery of liquor may be made on or from the premises of a package
1391 agency, and a package agency may be open for the sale of liquor, only on a day and during
1392 hours that the commission directs by rule or order.

1393 (b) A package agency located at a manufacturing facility is not subject to Subsection
1394 (13)(a) if:

1395 (i) the package agency is located at a manufacturing facility licensed in accordance
1396 with Chapter 11, Manufacturing and Related Licenses Act;

1397 (ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing
1398 and Related Licenses Act, holds:

1399 (A) a full-service restaurant license;

1400 (B) a limited-service restaurant license;

1401 (C) a beer-only restaurant license;

1402 (D) a dining club license; or

1403 (E) a bar license;

1404 (iii) the restaurant, dining club, or bar is located at the manufacturing facility;

1405 (iv) the restaurant, dining club, or bar sells an alcoholic product produced at the
1406 manufacturing facility;

1407 (v) the manufacturing facility:

1408 (A) owns the restaurant, dining club, or bar; or

1409 (B) operates the restaurant, dining club, or bar;

1410 (vi) the package agency only sells an alcoholic product produced at the manufacturing
1411 facility; and

1412 (vii) the package agency's days and hours of sale are the same as the days and hours of
1413 sale at the restaurant, dining club, or bar.

1414 (c) (i) Subsection (13)(a) does not apply to a package agency held by the following if
1415 the package agent that holds the package agency to sell liquor at a resort or hotel does not sell
1416 liquor in a manner similar to a state store:

1417 (A) a resort licensee; or

1418 (B) a hotel licensee.

1419 (ii) The commission may by rule define what constitutes a package agency that sells
1420 liquor "in a manner similar to a state store."

1421 (14) (a) Except to the extent authorized by commission rule, a minor may not be
1422 admitted into, or be on the premises of, a package agency unless accompanied by a person who
1423 is:

1424 (i) 21 years of age or older; and

1425 (ii) the minor's parent, legal guardian, or spouse.

1426 (b) A package agent or staff of a package agency that has reason to believe that a
1427 person who is on the premises of a package agency is under the age of 21 and is not
1428 accompanied by a person described in Subsection (14)(a) may:

1429 (i) ask the suspected minor for proof of age;

1430 (ii) ask the person who accompanies the suspected minor for proof of age; and

1431 (iii) ask the suspected minor or the person who accompanies the suspected minor for
1432 proof of parental, guardianship, or spousal relationship.

1433 (c) A package agent or staff of a package agency shall refuse to sell liquor to the
1434 suspected minor and to the person who accompanies the suspected minor into the package
1435 agency if the minor or person fails to provide any information specified in Subsection (14)(b).

1436 (d) A package agent or staff of a package agency shall require the suspected minor and
1437 the person who accompanies the suspected minor into the package agency to immediately leave
1438 the premises of the package agency if the minor or person fails to provide information specified
1439 in Subsection (14)(b).

1440 (15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed
1441 container.

1442 (b) A person may not open a sealed container on the premises of a package agency.

1443 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or
1444 furnish liquor in other than a sealed container:

1445 (i) if the package agency is the type of package agency that authorizes the package
1446 agency to sell, offer for sale, or furnish the liquor as part of room service;

1447 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and

1448 (iii) subject to:

1449 (A) staff of the package agency providing the liquor in person only to an adult guest in
1450 the guest room;

1451 (B) staff of the package agency not leaving the liquor outside a guest room for retrieval

1452 by a guest; and

1453 (C) the same limits on the portions in which an alcoholic product may be sold by a
1454 retail licensee under Section 32B-5-304.

1455 (16) On or after October 1, 2011, a package agency may not sell, offer for sale, or
1456 furnish heavy beer in a sealed container that exceeds two liters.

1457 (17) The department may pay or otherwise remunerate a package agent on any basis,
1458 including sales or volume of business done by the package agency.

1459 (18) The commission may prescribe by policy or rule general operational requirements
1460 of a package agency that are consistent with this title and relate to:

1461 (a) physical facilities;

1462 (b) conditions of operation;

1463 (c) hours of operation;

1464 (d) inventory levels;

1465 (e) payment schedules;

1466 (f) methods of payment;

1467 (g) premises security; and

1468 (h) any other matter considered appropriate by the commission.

1469 (19) A package agency may not maintain a minibar.

1470 Section 10. Section 32B-3-202 is amended to read:

1471 **32B-3-202. Timing of reporting violations.**

1472 [~~Except when the person subject to administrative action is staff:~~]

1473 [~~(1) A disciplinary proceeding may not be initiated or maintained by the commission or
1474 department on the basis, in whole or in part, of a violation of this title unless a person subject to
1475 administrative action against whom the violation is alleged is notified by the department of the
1476 violation in accordance with this section.]~~]

1477 [(2) (a) ~~A nondepartment enforcement agency or nondepartment enforcement officer
1478 may not report a violation of this title to the department more than eight business days after the
1479 day on which a nondepartment enforcement officer or agency completes an investigation that
1480 finds a violation of this title.]~~]

1481 [(b) ~~If the commission or department wants the right to initiate or maintain a
1482 disciplinary proceeding on the basis, in whole or in part, of a violation of this title alleged in a~~]

1483 ~~report described in Subsection (2)(a), the department shall notify a person subject to~~
1484 ~~administrative action who is alleged by the report to have violated this title:]~~

1485 ~~[(i) by no later than eight business days of the day on which the department receives~~
1486 ~~the report described in Subsection (2)(a); and]~~

1487 ~~[(ii) that the commission or department may initiate or maintain a disciplinary~~
1488 ~~proceeding on the basis, in whole or in part, of the violation.]~~

1489 ~~[(3) If the commission or department wants the right to initiate or maintain a~~
1490 ~~disciplinary proceeding on the basis, in whole or in part, of a violation of this title alleged by a~~
1491 ~~report of a department compliance officer, the department shall notify a person subject to~~
1492 ~~administrative action who is alleged by the report to have violated this title:]~~

1493 ~~[(a) by no later than eight business days of the day on which the department~~
1494 ~~compliance officer completes an investigation that finds a violation of this title; and]~~

1495 ~~[(b) that the commission or department may initiate or maintain a disciplinary~~
1496 ~~proceeding on the basis, in whole or in part, of the violation.]~~

1497 (1) Before the department or the commission may take administrative action against a
1498 person subject to administrative action:

1499 (a) a nondepartment enforcement agency or enforcement officer or a department
1500 compliance officer shall submit to the department a report:

1501 (i) containing facts that could support a finding that the person subject to
1502 administrative action violated this title or a commission rule; and

1503 (ii) no more than eight business days after the day on which the nondepartment
1504 enforcement agency or officer or the compliance officer completes the investigation containing
1505 the facts described in Subsection (1)(a)(i); and

1506 (b) subject to Subsection (5), the department shall notify the person subject to
1507 administrative action:

1508 (i) no more than eight business days after the day on which the department receives the
1509 report described in Subsection (1)(a);

1510 (ii) that the commission or department received the report described in Subsection
1511 (1)(a); and

1512 (iii) that the commission or department may initiate or maintain a disciplinary
1513 proceeding on the basis, in whole or in part, on the facts contained in the report described in

1514 Subsection (1)(a).

1515 ~~[(4)]~~ (2) (a) ~~[A]~~ The department may provide the notice required [by] under this section
1516 [may be done] orally, if after the oral notification the department provides written notification.

1517 (b) The department may provide the written notification described in Subsection ~~[(4)]~~
1518 (2)(a) [may be sent] outside the time periods required [by] under this section.

1519 ~~[(5)]~~ (3) The department shall maintain a record of a notification required [by] under
1520 this section that includes:

1521 (a) the name of the person notified; [and]

1522 (b) the date of the notification[-]; and

1523 (c) the type of notification given.

1524 (4) (a) The department may issue an order to show cause if the department receives a
1525 report described in Subsection (1)(a), containing facts that could support a finding that the
1526 person subject to administrative action violated:

1527 (i) this title regarding necessary licensing requirements; or

1528 (ii) a commission rule regarding necessary licensing requirements.

1529 (b) A necessary licensing requirement described in Subsection (4)(a) includes:

1530 (i) maintaining an approved, licensed premise;

1531 (ii) maintaining insurance;

1532 (iii) maintaining a bond;

1533 (iv) following the requirements in Section [32B-1-304](#), regarding qualifications;

1534 (v) maintaining required store hours;

1535 (vi) failing to utilize the license issued; or

1536 (vii) transferring a license in violation of Chapter 8a, Transfer of Applicable License

1537 Act.

1538 (c) The department's issuance of an order to show cause in accordance with this

1539 Subsection (4):

1540 (i) does not initiate a disciplinary proceeding; and

1541 (ii) is not subject to Title 63G, Chapter 4, Administrative Procedures Act.

1542 (5) The department is not required to provide notice as described in Subsection (1)(b)
1543 if the person subject to administrative action is staff.

1544 Section 11. Section **32B-3-204** is amended to read:

1545 **32B-3-204. Disciplinary proceeding procedure.**

1546 (1) (a) Subject to Section [32B-3-202](#), the following may conduct an adjudicative
1547 proceeding to inquire into a matter necessary and proper for the administration of this title and
1548 rules adopted under this title:

1549 (i) the commission;

1550 (ii) a hearing examiner appointed by the commission to conduct a suspension,
1551 non-renewal, or revocation hearing required by law;

1552 (iii) the director; and

1553 (iv) the department.

1554 (b) Except as provided in this section or Section [32B-2-605](#), a person described in
1555 Subsection (1)(a) shall comply with Title 63G, Chapter 4, Administrative Procedures Act, in an
1556 adjudicative proceeding.

1557 (c) Except when otherwise provided by law, an adjudicative proceeding before the
1558 commission or a hearing examiner appointed by the commission shall be:

1559 (i) video or audio recorded; and

1560 (ii) subject to Subsection (3)(b), conducted in accordance with Title 52, Chapter 4,
1561 Open and Public Meetings Act.

1562 (d) A person listed in Subsection (1)(a) shall conduct an adjudicative proceeding
1563 concerning departmental personnel in accordance with Title 67, Chapter 19, Utah State
1564 Personnel Management Act.

1565 (e) A hearing that is informational, fact gathering, and nonadversarial in nature shall be
1566 conducted in accordance with rules, policies, and procedures made by the commission,
1567 director, or department.

1568 (2) (a) Subject to Section [32B-3-202](#), a disciplinary proceeding shall be conducted
1569 under the authority of the commission, which is responsible for rendering a final decision and
1570 order on a disciplinary matter.

1571 (b) (i) The commission may appoint a necessary officer, including a hearing examiner,
1572 from within or without the department, to administer the disciplinary proceeding process.

1573 (ii) A hearing examiner appointed by the commission:

1574 (A) may conduct a disciplinary proceeding hearing on behalf of the commission; and

1575 (B) shall submit to the commission a report including:

1576 (I) findings of fact determined on the basis of a preponderance of the evidence
1577 presented at the hearing;

1578 (II) conclusions of law; and
1579 (III) recommendations.

1580 (iii) A report of a hearing examiner under this Subsection (2)(b) may not recommend a
1581 penalty more severe than that initially sought by the department in the notice of agency action.

1582 (iv) A copy of a hearing examiner report under this Subsection (2)(b) shall be served
1583 upon the respective parties.

1584 (v) Before final commission action, the commission shall give a respondent and the
1585 department reasonable opportunity to file a written objection to a hearing examiner report.

1586 (3) (a) The commission or an appointed hearing examiner shall preside over a
1587 disciplinary proceeding hearing.

1588 (b) A disciplinary proceeding hearing may be closed only after the commission or
1589 hearing examiner makes a written finding that the public interest in an open hearing is clearly
1590 outweighed by factors enumerated in the closure order.

1591 (c) (i) The commission or ~~[its]~~ an appointed hearing examiner as part of a disciplinary
1592 proceeding hearing may:

1593 (A) administer an oath or affirmation;
1594 (B) take evidence, including evidence provided in relation to an order to show cause
1595 the department issued in accordance with Section [32B-3-202](#);

1596 (C) take a deposition within or without this state; and
1597 (D) require by subpoena from a place within this state:

1598 (I) the testimony of a person at a hearing; and
1599 (II) the production of a record or other evidence considered relevant to the inquiry.

1600 (ii) A person subpoenaed in accordance with this Subsection (3)(c) shall testify and
1601 produce a record or tangible thing as required in the subpoena.

1602 (iii) A witness subpoenaed, called to testify, or called to produce evidence who claims
1603 a privilege against self-incrimination may not be compelled to testify, but the commission or
1604 the hearing examiner shall file a written report with the county attorney or district attorney in
1605 the jurisdiction where the privilege is claimed or where the witness resides setting forth the
1606 circumstance of the claimed privilege.

- 1607 (iv) (A) A person is not excused from obeying a subpoena without just cause.
- 1608 (B) A district court within the judicial district in which a person alleged to be guilty of
- 1609 willful contempt of court or refusal to obey a subpoena is found or resides, upon application by
- 1610 the party issuing the subpoena, may issue an order requiring the person to:
- 1611 (I) appear before the issuing party; and
- 1612 (II) (Aa) produce documentary evidence if so ordered; or
- 1613 (Bb) give evidence regarding the matter in question.
- 1614 (C) Failure to obey an order of the court may be punished by the court as contempt.
- 1615 (d) In a case heard by the commission, the commission shall issue its final decision and
- 1616 order in accordance with Subsection (2).
- 1617 (4) (a) The commission shall:
- 1618 (i) render a final decision and order on a disciplinary action; and
- 1619 (ii) cause its final order to be prepared in writing, issued, and served on all parties.
- 1620 (b) An order of the commission is final on the date the order is issued.
- 1621 (c) The commission, after the commission renders its final decision and order, may
- 1622 require the director to prepare, issue, and cause to be served on the parties the final written
- 1623 order on behalf of the commission.
- 1624 (5) (a) If a respondent requests a disciplinary proceeding hearing, the hearing held by
- 1625 the commission or a hearing examiner appointed by the commission shall proceed formally in
- 1626 accordance with Sections [63G-4-204](#) through [63G-4-209](#) if:
- 1627 (i) the alleged violation poses, or potentially poses, a grave risk to public safety, health,
- 1628 and welfare;
- 1629 (ii) the alleged violation involves:
- 1630 (A) selling or furnishing an alcoholic product to a minor;
- 1631 (B) attire, conduct, or entertainment prohibited by Chapter 1, Part 5, Attire, Conduct,
- 1632 and Entertainment Act;
- 1633 (C) fraud, deceit, willful concealment, or misrepresentation of the facts by or on behalf
- 1634 of the respondent;
- 1635 (D) interfering or refusing to cooperate with:
- 1636 (I) an authorized official of the department or the state in the discharge of the official's
- 1637 duties in relation to the enforcement of this title; or

- 1638 (II) a peace officer in the discharge of the peace officer's duties in relation to the
1639 enforcement of this title;
- 1640 (E) an unlawful trade practice under Chapter 4, Part 7, Trade Practices Act;
- 1641 (F) unlawful importation of an alcoholic product; or
- 1642 (G) unlawful supply of liquor by a liquor industry member, as defined in Section
1643 [32B-4-702](#), to a person other than the department or a military installation, except to the extent
1644 permitted by this title; or
- 1645 (iii) the department determines to seek in a disciplinary proceeding hearing:
- 1646 (A) an administrative fine exceeding \$3,000;
- 1647 (B) a suspension of a license, permit, or certificate of approval of more than 10 days; or
- 1648 (C) a revocation of a license, permit, or certificate of approval.
- 1649 (b) If a respondent does not request a disciplinary proceeding hearing, a hearing shall
1650 proceed informally unless it is designated as a formal proceeding pursuant to rules adopted by
1651 the commission in accordance with Subsection (5)(c).
- 1652 (c) The commission shall make rules to provide a procedure to implement this
1653 Subsection (5).
- 1654 (6) (a) If the department recommends nonrenewal of a license, the department shall
1655 notify the licensee of the recommendation at least 15 days before the commission takes action
1656 on the nonrenewal.
- 1657 (b) Notwithstanding Subsection (2), the commission shall appoint a hearing examiner
1658 to conduct an adjudicative hearing in accordance with this section if the licensee files a request
1659 for a hearing within 10 days of receipt of the notice under Subsection (6)(a).
- 1660 Section 12. Section **32B-4-415** is amended to read:
- 1661 **32B-4-415. Unlawful bringing onto premises for consumption.**
- 1662 (1) Except as provided in Subsection (4) and [~~Subsection [32B-5-307](#)(4)~~] Section
1663 [32B-5-307](#), a person may not bring an alcoholic product for on-premise consumption onto the
1664 premises of:
- 1665 (a) a retail licensee or person required to be licensed under this title as a retail licensee;
- 1666 (b) an establishment that conducts a business similar to a retail licensee;
- 1667 (c) an event where an alcoholic product is sold, offered for sale, or furnished under a
1668 single event permit or temporary beer event permit issued under this title;

1669 (d) an establishment open to the general public; or

1670 (e) the capitol hill complex.

1671 (2) Except as provided in Subsection (4) and [~~Subsection 32B-5-307(4)~~] Section

1672 32B-5-307, the following may not allow a person to bring onto its premises an alcoholic

1673 product for on-premise consumption or allow consumption of an alcoholic product brought

1674 onto its premises in violation of this section:

1675 (a) a retail licensee or a person required to be licensed under this title as a retail
1676 licensee;

1677 (b) an establishment that conducts a business similar to a retail licensee;

1678 (c) a single event permittee or temporary beer event permittee;

1679 (d) an establishment open to the general public;

1680 (e) the State Capitol Preservation Board created in Section 63C-9-201; or

1681 (f) staff of a person listed in Subsections (2)(a) through (e).

1682 (3) Except as provided in Subsection (4)(c)(i)(A), a person may not consume an

1683 alcoholic product in a limousine or chartered bus if the limousine or chartered bus drops off a
1684 passenger at:

1685 (a) a location from which the passenger departs in a private vehicle; or

1686 (b) the capitol hill complex.

1687 (4) (a) A person may bring bottled wine onto the premises of the following and

1688 consume the wine pursuant to Section 32B-5-307:

1689 (i) a full-service restaurant licensee;

1690 (ii) a limited restaurant licensee;

1691 (iii) a bar establishment licensee; or

1692 (iv) a person operating under a resort spa sublicense.

1693 (b) A passenger of a limousine may bring onto, possess, and consume an alcoholic
1694 product in the limousine if:

1695 (i) the travel of the limousine begins and ends at:

1696 (A) the residence of the passenger;

1697 (B) the hotel of the passenger, if the passenger is a registered guest of the hotel; or

1698 (C) the temporary domicile of the passenger;

1699 (ii) the driver of the limousine is separated from the passengers by partition or other

1700 means approved by the department; and
1701 (iii) the limousine is not located on the capitol hill complex.
1702 (c) A passenger of a chartered bus may bring onto, possess, and consume an alcoholic
1703 product on the chartered bus:
1704 (i) (A) but may consume only during travel to a specified destination of the chartered
1705 bus and not during travel back to the place where the travel begins; or
1706 (B) if the travel of the chartered bus begins and ends at:
1707 (I) the residence of the passenger;
1708 (II) the hotel of the passenger, if the passenger is a registered guest of the hotel; or
1709 (III) the temporary domicile of the passenger;
1710 (ii) if the chartered bus has a nondrinking designee other than the driver traveling on
1711 the chartered bus to monitor consumption; and
1712 (iii) if the chartered bus is not located on the capitol hill complex.
1713 (5) A person may bring onto any premises, possess, and consume an alcoholic product
1714 at a private event.
1715 (6) Notwithstanding Subsection (5), private and public facilities may prohibit the
1716 possession or consumption of alcohol on their premises.
1717 (7) The restrictions of Subsections (2) and (3) apply to a resort licensee or hotel
1718 licensee or person operating under a sublicense in relationship to:
1719 (a) the boundary of a resort building, as defined in Section [32B-8-102](#), or the boundary
1720 of a hotel, as defined in Section [32B-8b-102](#), in an area that is open to the public; or
1721 (b) except as provided in Subsection (4), [~~a sublicense~~] sublicensed premises.
1722 Section 13. Section ~~32B-4-422~~ is amended to read:
1723 **32B-4-422. Unlawful dispensing.**
1724 [~~(1) For purposes of this section:~~]
1725 [~~(a) "Primary spirituous liquor" means the main distilled spirit in a beverage.~~]
1726 [~~(b) "Primary spirituous liquor" does not include a secondary alcoholic product used as~~
1727 ~~a flavoring in conjunction with the primary distilled spirit in a beverage.~~]
1728 [(2)] (1) A retail licensee licensed under this title to sell, offer for sale, or furnish
1729 spirituous liquor for consumption on the licensed premises, or staff of the retail licensee may
1730 not:

1731 (a) sell, offer for sale, or furnish a primary spirituous liquor to a person on the licensed
1732 premises except in a quantity that does not exceed 1.5 ounces per beverage dispensed through a
1733 calibrated metered dispensing system approved by the department;

1734 (b) sell, offer for sale, or furnish more than a total of 2.5 ounces of spirituous liquor per
1735 beverage;

1736 (c) allow a person on the licensed premises to have more than a total of 2.5 ounces of
1737 spirituous liquor at a time; or

1738 (d) (i) except as provided in Subsection [(2)] (1)(d)(ii), allow a person to have more
1739 than two spirituous liquor beverages at a time; or

1740 (ii) allow a person on the premises of the following to have more than one spirituous
1741 liquor beverage at a time:

1742 (A) a full-service restaurant licensee;

1743 (B) a person operating under a full-service restaurant sublicense;

1744 (C) an on-premise banquet licensee;

1745 (D) a person operating under an on-premise banquet sublicense; or

1746 (E) a single event permittee.

1747 [(3)] (2) A violation of this section is a class C misdemeanor.

1748 Section 14. Section **32B-5-201** is amended to read:

1749 **32B-5-201. Application requirements for retail license.**

1750 (1) (a) Before a person may store, sell, offer for sale, furnish, or permit consumption of
1751 an alcoholic product on licensed premises as a retail licensee, the person shall first obtain a
1752 retail license issued by the commission, notwithstanding whether the person holds a local
1753 license or a permit issued by a local authority.

1754 (b) Violation of this Subsection (1) is a class B misdemeanor.

1755 (2) To obtain a retail license under this title, a person shall submit to the department:

1756 (a) a written application in a form prescribed by the department;

1757 (b) a nonrefundable application fee in the amount specified in the relevant [part under
1758 ~~Chapter 6, Specific Retail License Act,~~ chapter or part for the type of retail license for which
1759 the person is applying;

1760 (c) an initial license fee:

1761 (i) in the amount specified in the relevant [part under ~~Chapter 6, Specific Retail~~

1762 ~~License Act,~~ chapter or part for the type of retail license for which the person is applying; and
1763 (ii) that is refundable if a retail license is not issued;
1764 (d) written consent of the local authority, including, if applicable, consent for each
1765 proposed sublicense;
1766 (e) a copy of:
1767 (i) the person's current business license; and
1768 (ii) if the person is applying for a principal license, the current business license for each
1769 proposed sublicense, except if the relevant political subdivision determines that the business
1770 license for a proposed sublicense is included in the person's current business license;
1771 (f) evidence of the proposed retail licensee's proximity to any community location, with
1772 proximity requirements being governed by Section 32B-1-202;
1773 (g) a bond as specified by Section 32B-5-204;
1774 (h) a floor plan, and boundary map where applicable, of the premises of the retail
1775 license and each, if any, accompanying sublicense, including any:
1776 (i) consumption area; and
1777 (ii) area where the person proposes to store, sell, offer for sale, or furnish an alcoholic
1778 beverage;
1779 (i) evidence that the retail licensee [~~is carrying~~] carries public liability insurance in an
1780 amount and form satisfactory to the department;
1781 (j) evidence that the retail licensee [~~is carrying~~] carries dramshop insurance coverage of
1782 at least:
1783 (i) \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
1784 (ii) if the retail licensee is a hotel licensee or a resort licensee, \$1,000,000 per
1785 occurrence and \$2,000,000 in the aggregate to cover both the principal license and all
1786 accompanying sublicenses; or
1787 (iii) if the retail licensee is an arena licensee, \$10,000,000 per occurrence and
1788 \$20,000,000 in the aggregate to cover both the arena license and all accompanying sublicenses.
1789 (k) a signed consent form stating that the retail licensee will permit any authorized
1790 representative of the commission, department, or any law enforcement officer to have
1791 unrestricted right to enter;
1792 (i) the premises of the retail licensee; and

1793 (ii) if applicable, the premises of each of the retail licensee's accompanying
 1794 sublicenses;

1795 (l) if the person is an entity, proper verification evidencing that a person who signs the
 1796 application is authorized to sign on behalf of the entity;

1797 (m) a responsible alcohol service plan; and

1798 (n) any other information the commission or department may require.

1799 (3) The commission may not issue a retail license to a person who:

1800 (a) is disqualified under Section 32B-1-304; or

1801 (b) is not lawfully present in the United States.

1802 (4) Unless otherwise provided in the relevant [~~part under Chapter 6, Specific Retail~~
 1803 ~~License Act,~~] chapter or part for the type of retail license for which the person is applying, the
 1804 commission may not issue a retail license to a person if the proposed licensed premises does
 1805 not meet the proximity requirements of Section 32B-1-202.

1806 Section 15. Section 32B-5-202 is amended to read:

1807 **32B-5-202. Renewal requirements.**

1808 (1) A retail license expires each year on the day specified in the relevant [~~part under~~
 1809 ~~Chapter 6, Specific Retail License Act,~~] chapter or part for that type of retail license.

1810 (2) (a) To renew a person's retail license, a retail licensee shall, by no later than the day
 1811 specified in the relevant [~~part under Chapter 6, Specific Retail License Act,~~] chapter or part for
 1812 the type of retail license that [~~is being renewed~~] the person seeks to renew, submit:

1813 (i) a completed renewal application in a form prescribed by the department; and

1814 (ii) a renewal fee in the amount specified in the relevant [~~part under Chapter 6, Specific~~
 1815 ~~Retail License Act,~~] chapter or part for the type of retail license that [~~is being renewed~~] the
 1816 person seeks to renew.

1817 (b) A retail licensee shall submit a responsible alcohol service plan as part of the retail
 1818 licensee's renewal application if, since the retail licensee's most recent application or renewal,
 1819 the retail licensee:

1820 (i) made substantial changes to the retail licensee's responsible alcohol service plan; or

1821 (ii) violated a provision of this chapter.

1822 (c) The department may audit a retail licensee's responsible alcohol service plan.

1823 (3) Failure to meet the renewal requirements results in an automatic forfeiture of the

1824 retail license effective on the [date] day on which the existing retail license expires.

1825 Section 16. Section **32B-5-203** is amended to read:

1826 **32B-5-203. Commission and department duties before issuing a retail license.**

1827 (1) (a) Before the commission may issue a retail license, the department shall conduct
1828 an investigation and may hold public hearings to gather information and make
1829 recommendations to the commission as to whether a retail license and, if applicable, each
1830 accompanying sublicense should be issued.

1831 (b) The department shall forward the information and recommendations described in
1832 Subsection (1)(a) to the commission to aid in the commission's determination.

1833 (2) Before issuing a retail license, the commission shall:

1834 (a) determine that the person filed a complete application and is in compliance with:

1835 (i) Section **32B-5-201**; and

1836 (ii) the specific licensing requirements specified in the relevant ~~[part under Chapter 6,~~
1837 ~~Specific Retail License Act,]~~ chapter or part for the type of retail license for which the person is
1838 applying;

1839 (b) determine that the person and, if applicable, each of the person's accompanying
1840 sublicenses is not disqualified under Section **32B-1-304**;

1841 (c) consider the locality within which the proposed licensed premises and, if
1842 applicable, each proposed sublicensed premises is located, including:

1843 (i) physical characteristics such as:

1844 (A) condition of the licensed or sublicensed premises;

1845 (B) square footage; and

1846 (C) parking availability; and

1847 (ii) operational factors such as:

1848 (A) tourist traffic;

1849 (B) demographics;

1850 (C) population to be served;

1851 (D) proximity to and density of other state stores, package agencies, and retail
1852 licensees; and

1853 (E) the extent of and proximity to any community location;

1854 (d) consider the person's ability to manage and operate a retail license, and if applicable

1855 the ability of each individual who will act in a supervisory or managerial capacity for each
1856 accompanying sublicense to supervise or manage a sublicense, of the type for which the person
1857 is applying, including:

- 1858 (i) management experience;
- 1859 (ii) past retail alcoholic product experience; and
- 1860 (iii) the type of management scheme to be used by the retail licensee or accompanying
1861 sublicensee;

1862 (e) consider the nature or type of retail licensee operation, and if applicable each
1863 proposed accompanying sublicensee's operation, of the proposed retail licensee, including:

- 1864 (i) the type of menu items that will be offered and emphasized;
- 1865 (ii) whether the retail licensee or the retail licensee's accompanying sublicensee will
1866 emphasize service to an adult clientele or to minors;
- 1867 (iii) the proposed hours of operation;
- 1868 (iv) the seating capacity of the premises; and
- 1869 (v) the estimated gross sales of food items; and
- 1870 (f) consider any other factor the commission considers necessary.

1871 (3) The commission shall determine whether an applicant under this section has an
1872 adequate kitchen or culinary facilities by considering:

- 1873 (a) the type of retail license or sublicense for which the person is applying;
- 1874 (b) the purpose of the proposed retail license or sublicense; and
- 1875 (c) the locality within which the proposed licensed or sublicensed premises is located.

1876 Section 17. Section **32B-5-204** is amended to read:

1877 **32B-5-204. Bond for retail license.**

1878 (1) (a) A retail licensee shall post a cash bond or surety bond:

- 1879 (i) in the amount specified in the relevant [~~part under Chapter 6, Specific Retail~~
1880 ~~License Act,~~ chapter or part for the type of retail license for which the person is applying; and
- 1881 (ii) payable to the department.

1882 (b) A retail licensee shall procure and maintain the bond required under this section for
1883 as long as the retail licensee continues to operate as a retail licensee.

1884 (2) A bond required under this section shall be:

- 1885 (a) in a form approved by the attorney general; and

1886 (b) conditioned upon the retail licensee's faithful compliance with this title and the
1887 rules of the commission.

1888 (3) (a) If a surety bond posted by a retail licensee under this section is canceled due to
1889 the retail licensee's negligence, the department may assess a \$300 reinstatement fee.

1890 (b) No part of a bond posted by a retail licensee under this section may be withdrawn:

1891 (i) during the period the retail license is in effect; or

1892 (ii) while a revocation proceeding is pending against the retail licensee.

1893 (4) (a) A bond posted under this section by a retail licensee may be forfeited if the
1894 retail license is revoked.

1895 (b) Notwithstanding Subsection (4)(a), the department may make a claim against a
1896 bond posted by a retail licensee for money owed the department under this title without the
1897 commission first revoking the retail license.

1898 Section 18. Section **32B-5-207** is amended to read:

1899 **32B-5-207. Multiple retail licenses on same premises.**

1900 (1) As used in this section, [~~"sublicense premises" means the same as that term is~~
1901 ~~defined in Sections 32B-8-102 and 32B-8b-102.~~] "license" means:

1902 (a) a retail license; and

1903 (b) a sublicense.

1904 (2) [~~(a) The~~] Except as provided in Subsection (3), the commission may not issue and
1905 one or more licensees may not hold more than one type of [~~retail~~] license for the same
1906 premises.

1907 [~~(b) (3) (a) [Notwithstanding Subsection (2)(a), the~~] The commission may issue and
1908 one or more licensees may hold more than one type of [~~retail~~] license for the same premises if:

1909 (i) the applicant or licensee satisfies the requirements for each [~~retail~~] license;

1910 (ii) the types of [~~retail~~] licenses issued or held are two or more of the following:

1911 (A) a restaurant license;

1912 (B) an on-premise beer retailer license that is not a tavern; [~~and~~]

1913 (C) an on-premise banquet license or a reception center license; and

1914 (D) a hospitality amenity sublicense; and

1915 (iii) the [~~retail~~] licenses do not operate at the same time on the same day.

1916 (b) The commission may issue and two or more restaurant licensees may share an area

1917 of each restaurant licensee's licensed premises designated for alcoholic beverage consumption,
 1918 if:

1919 (i) the applicants or licensees satisfy the requirements for each license; and

1920 (ii) the only shared premises between the issued or held restaurant licenses is the area
 1921 for alcoholic beverage consumption.

1922 (c) The commission may issue and two or more licensees may share a kitchen or
 1923 culinary facilities located in or on one or more of the licensee's licensed premises, if:

1924 (i) the types of licenses issued or held are two or more sublicenses of a principal
 1925 licensee:

1926 (A) one of which is an on-premise banquet sublicense; and

1927 (B) one of which is a restaurant license that is a sublicense, an on-premise beer retailer
 1928 sublicense that is not a tavern, or a bar sublicense; or

1929 (ii) (A) the same person applies for or holds each license;

1930 (B) the licensed premises are each owned or leased by the same person and located in
 1931 the same building; and

1932 (C) the only shared premises between the issued or held licenses is the kitchen or
 1933 culinary facilities area, including any pathway necessary to transport an item to and from the
 1934 area.

1935 ~~[(3)]~~ (4) When one or more licensees hold more than one type of ~~[retail]~~ license for the
 1936 same premises under Subsection ~~[(2)(b)]~~ (3)(a), the one or more licensees shall post in a
 1937 conspicuous location at the entrance of the room a sign that:

1938 (a) measures 8-1/2 inches by 11 inches; and

1939 (b) states whether the premises is currently operating as:

1940 (i) a restaurant;

1941 (ii) an on-premise beer retailer that is not a tavern; ~~[or]~~

1942 (iii) a banquet or a reception center~~[-];~~ or

1943 (iv) a hospitality amenity.

1944 (5) When two or more restaurant licensees share an area of each restaurant licensee's
 1945 licensed premises designated for alcoholic beverage consumption in accordance with
 1946 Subsection (3)(b), each licensee shall:

1947 (a) maintain control over the licensee's patrons; and

1948 (b) use a visual marker to clearly identify which licensee served each patron.

1949 ~~[(4)]~~ (6) (a) ~~[The]~~ For purposes of Subsection (3)(a), the commission may not issue and
1950 one or more licensees may not hold a bar license or a tavern license in the same room as a
1951 restaurant license.

1952 (b) For purposes of Subsection ~~[(4)]~~ (6)(a), two licenses are not considered in the same
1953 room if:

1954 (i) each shared permanent wall between the premises licensed as a bar or a tavern and
1955 the premises licensed as a restaurant measures at least eight feet high;

1956 (ii) the premises for each license has a separate entryway that does not require a patron
1957 to pass through the premises licensed as a bar or a tavern to access the premises licensed as a
1958 restaurant; and

1959 (iii) if a patron must pass through the premises licensed as a restaurant to access the
1960 entryway to the premises licensed as a bar or a tavern, a patron on the premises licensed as a
1961 restaurant cannot see a dispensing structure on the premises licensed as a bar or a tavern.

1962 ~~[(5)(a) If, on May 9, 2017, one or more licensees hold more than one type of retail~~
1963 ~~license in violation of Subsection (2) or (4), the one or more licensees may operate under the~~
1964 ~~different types of retail licenses through June 30, 2018.]~~

1965 ~~[(b) A licensee may not operate in violation of Subsection (2) or (4) on or after July 1,~~
1966 ~~2018:]~~

1967 ~~[(c) Before July 1, 2018, each licensee described in Subsection (5)(a) shall notify the~~
1968 ~~commission of each retail license that the licensee will surrender effective July 1, 2018, to~~
1969 ~~comply with the provisions of Subsection (2) or (4).]~~

1970 ~~[(6)]~~ (7) (a) The commission may issue more than one type of sublicense to a resort
1971 licensed under Chapter 8, Resort License Act, or a hotel licensed under Chapter 8b, Hotel
1972 License Act, for the same room if the ~~[sublicense]~~ sublicensed premises are clearly delineated
1973 by one or more permanent physical structures, such as a wall or other architectural feature, that
1974 separate the ~~[sublicense]~~ sublicensed premises.

1975 (b) A patron may not transport an alcoholic beverage between two ~~[sublicense]~~
1976 sublicensed premises located in the same room in accordance with Subsection ~~[(6)]~~ (7)(a).

1977 (c) Notwithstanding any provision to the contrary, a minor may momentarily pass
1978 through a ~~[sublicense]~~ sublicensed premises that is a bar to reach another location where a

1979 minor may lawfully be, if there is no practical alternative route to the location.

1980 Section 19. Section **32B-5-301** is amended to read:

1981 **32B-5-301. General operational requirements.**

1982 (1) (a) A retail licensee and staff of a retail licensee shall comply with this title and the
1983 rules of the commission, including the relevant [~~part under Chapter 6, Specific Retail License~~
1984 ~~Act,~~] chapter or part for the specific type of retail license.

1985 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1986 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1987 (i) a retail licensee;

1988 (ii) individual staff of a retail licensee; or

1989 (iii) both a retail licensee and staff of the retail licensee.

1990 (2) (a) If there is a conflict between this part and the relevant [~~part under Chapter 6,~~
1991 ~~Specific Retail License Act,~~] chapter or part for the specific type of retail license, the relevant
1992 [~~part under Chapter 6, Specific Retail License Act,~~] chapter or part for the specific type of retail
1993 license governs.

1994 (b) Notwithstanding that this part refers to "liquor" or an "alcoholic product," a retail
1995 licensee may only sell, offer for sale, furnish, or allow the consumption of an alcoholic product
1996 specifically authorized by the relevant [~~part under Chapter 6, Specific Retail License Act]~~
1997 chapter or part for the retail licensee's specific type of retail license.

1998 (c) Notwithstanding that this part or the relevant [~~part under Chapter 6, Specific Retail~~
1999 ~~License Act,~~] chapter or part for a specific retail licensee refers to "retail licensee," staff of the
2000 retail licensee is subject to the same requirement or prohibition.

2001 (3) (a) A retail licensee shall display in a prominent place in the licensed premises the
2002 retail license that is issued by the department.

2003 (b) A retail licensee shall display in a prominent place a sign in large letters that
2004 consists of text in the following order:

2005 (i) a header that reads: "WARNING";

2006 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
2007 can cause birth defects and permanent brain damage for the child.";

2008 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
2009 [insert most current toll-free number] with questions or for more information.";

- 2010 (iv) a header that reads: "WARNING"; and
- 2011 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
- 2012 serious crime that is prosecuted aggressively in Utah."
- 2013 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
- 2014 font style than the text described in Subsections (3)(b)(iv) and (v).
- 2015 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
- 2016 same font size.
- 2017 (d) The Department of Health shall work with the commission and department to
- 2018 facilitate consistency in the format of a sign required under this section.
- 2019 (4) A retail licensee may not on the licensed premises:
- 2020 (a) engage in or permit any form of gambling, as defined and proscribed in Title 76,
- 2021 Chapter 10, Part 11, Gambling;
- 2022 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
- 2023 Part 11, Gambling; or
- 2024 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
- 2025 the risking of something of value for a return or for an outcome when the return or outcome is
- 2026 based upon an element of chance, excluding the playing of an amusement device that confers
- 2027 only an immediate and unrecorded right of replay not exchangeable for value.
- 2028 (5) A retail licensee may not knowingly allow a person on the licensed premises to, in
- 2029 violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug
- 2030 Paraphernalia Act:
- 2031 (a) sell, distribute, possess, or use a controlled substance, as defined in Section
- 2032 [58-37-2](#); or
- 2033 (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in
- 2034 Section [58-37a-3](#).
- 2035 (6) Upon the presentation of credentials, at any time during which a retail licensee is
- 2036 open for the transaction of business, the retail licensee shall immediately:
- 2037 (a) admit a commissioner, authorized department employee, or law enforcement officer
- 2038 to the retail licensee's premises; and
- 2039 (b) permit, without hindrance or delay, the person described in Subsection (6)(a) to
- 2040 inspect completely:

2041 (i) the entire premises of the retail licensee; and

2042 (ii) the records of the retail licensee.

2043 (7) An individual may not consume an alcoholic product on the licensed premises of a
2044 retail licensee on any day during the period:

2045 (a) beginning one hour after the time of day that the period during which a retail
2046 licensee may not sell, offer for sale, or furnish an alcoholic product on the licensed premises
2047 begins; and

2048 (b) ending at the time specified in the relevant ~~[part under Chapter 6, Specific Retail~~
2049 ~~License Act,]~~ chapter or part for the retail licensee's specific type of retail license when the
2050 retail licensee may first sell, offer for sale, or furnish an alcoholic product on the licensed
2051 premises on that day.

2052 (8) ~~[(a)]~~ An employee of a retail licensee who sells, offers for sale, or furnishes an
2053 alcoholic product to a patron shall wear an identification badge.

2054 ~~[(b)]~~ (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
2055 Act, the commission shall make rules:

2056 (a) related to the requirement described in Subsection (8)~~[(a)]~~; and

2057 (b) for dispensing systems and dispensing areas of restaurant licensees, bar licensees,
2058 and taverns, establishing standards:

2059 (i) in accordance with the provisions of this title; and

2060 (ii) prohibiting a dispensing system to remain at a patron's table.

2061 Section 20. Section **32B-5-307** is amended to read:

2062 **32B-5-307. Bringing alcoholic product onto or removing alcoholic product from**
2063 **premises.**

2064 (1) Except as provided in ~~[Subsection (3)]~~ Subsections (3) through (5):

2065 (a) A person may not bring onto the licensed premises of a retail licensee an alcoholic
2066 product for on-premise consumption.

2067 (b) A retail licensee may not allow a person to:

2068 (i) bring onto licensed premises an alcoholic product for on-premise consumption; or

2069 (ii) consume an alcoholic product brought onto the licensed premises by a person other
2070 than the retail licensee.

2071 (c) A retail licensee may not sell, offer for sale, or furnish an alcoholic product through

2072 a window or door to a location off the licensed premises or to a vehicular traffic area.

2073 (2) Except as provided in Subsections (3)~~[(4)]~~ through (5) and 32B-4-415(5):

2074 (a) a person may not carry from a licensed premises of a retail licensee an open

2075 container that:

2076 (i) is used primarily for drinking purposes; and

2077 (ii) contains an alcoholic product;

2078 (b) a retail licensee may not permit a patron to carry from the licensed premises an

2079 open container described in Subsection (2)(a); and

2080 (c) (i) a person may not carry from a licensed premises of a retail licensee a sealed

2081 container of liquor that has been purchased from the retail licensee; and

2082 (ii) a retail licensee may not permit a patron to carry from the licensed premises a

2083 sealed container of liquor that has been purchased from the retail licensee.

2084 (3) (a) A patron may bring a bottled wine onto the premises of a retail licensee for

2085 on-premise consumption if:

2086 (i) permitted by the retail licensee; and

2087 (ii) the retail licensee is authorized to sell, offer for sale, or furnish wine.

2088 (b) If a patron carries bottled wine onto the licensed premises of a retail licensee, the

2089 patron shall deliver the bottled wine to a server or other representative of the retail licensee

2090 upon entering the licensed premises.

2091 (c) A retail licensee authorized to sell, offer for sale, or furnish wine, may provide a

2092 wine service for a bottled wine carried onto the licensed premises in accordance with this

2093 Subsection (3) or a bottled wine purchased at the licensed premises.

2094 (d) A patron may remove from a licensed premises the unconsumed contents of a bottle

2095 of wine purchased at the licensed premises, or brought onto the licensed premises in

2096 accordance with this Subsection (3), only if before removal the bottle is recorked or recapped.

2097 ~~[(4) A patron may transport beer between the premises of an on-premise banquet~~

2098 ~~license and an on-premise beer retailer license that is not a tavern, and consume the beer on~~

2099 ~~either licensed premises, if the licensed premises are:]~~

2100 ~~[(a) immediately adjacent to one another; and]~~

2101 ~~[(b) located in a sports center that has a seating capacity of at least 6,500.]~~

2102 (4) A patron may transport beer between the sublicensed premises of an arena

2103 licensee's accompanying sublicenses, if the patron transports the beer from and to an area of
2104 each sublicensed premises:

2105 (a) that is adjacent to the other; and

2106 (b) where the consumption of beer is permitted.

2107 (5) Neither a patron nor a retail licensee violates this section if:

2108 (a) the patron is in shared seating; and

2109 (b) the patron purchased the patron's alcoholic beverage from a restaurant licensee

2110 whose licensed premises include the shared seating area the patron is in.

2111 Section 21. Section **32B-6-406** is amended to read:

2112 **32B-6-406. Specific operational requirements for a bar establishment license.**

2113 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2114 Requirements, a bar establishment licensee and staff of the bar establishment licensee shall
2115 comply with this section.

2116 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2117 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2118 (i) a bar establishment licensee;

2119 (ii) individual staff of a bar establishment licensee; or

2120 (iii) both a bar establishment licensee and staff of the bar establishment licensee.

2121 (2) In addition to complying with Subsection **32B-5-301**(3), a bar licensee shall display
2122 in a conspicuous place at the entrance to the licensed premises a sign that:

2123 (a) measures at least 8-1/2 inches long and 11 inches wide; and

2124 (b) clearly states that the bar licensee is a bar and that no one under 21 years of age is
2125 allowed.

2126 (3) (a) In addition to complying with Section **32B-5-302**, a bar establishment licensee
2127 shall maintain for a minimum of three years:

2128 (i) a record required by Section **32B-5-302**; and

2129 (ii) a record maintained or used by the bar establishment licensee, as the department
2130 requires.

2131 (b) Section **32B-1-205** applies to a record required to be made, maintained, or used in
2132 accordance with this Subsection (3).

2133 (c) The department shall audit the records of a bar establishment licensee at least once

2134 annually.

2135 (4) (a) A bar establishment licensee may not sell, offer for sale, or furnish liquor on the
2136 licensed premises on any day during a period that:

2137 (i) begins at 1 a.m.; and

2138 (ii) ends at 9:59 a.m.

2139 (b) A bar establishment licensee may sell, offer for sale, or furnish beer during the
2140 hours specified in Part 7, On-Premise Beer Retailer License, for an on-premise beer retailer
2141 license.

2142 (c) (i) Notwithstanding Subsections (4)(a) and (b), a bar establishment licensee shall
2143 keep its licensed premises open for one hour after the bar establishment licensee ceases the sale
2144 and furnishing of an alcoholic product during which time a patron of the bar establishment
2145 licensee may finish consuming:

2146 (A) a single drink containing spirituous liquor;

2147 (B) a single serving of wine not exceeding five ounces;

2148 (C) a single serving of heavy beer;

2149 (D) a single serving of beer not exceeding 26 ounces; or

2150 (E) a single serving of a flavored malt beverage.

2151 (ii) A bar establishment licensee is not required to remain open:

2152 (A) after all patrons have vacated the premises; or

2153 (B) during an emergency.

2154 (5) (a) A minor:

2155 (i) may not be admitted into, use, or be in ~~[(i) a lounge or bar area of the premises of:~~

2156 ~~(A) an equity licensee; (B) a fraternal licensee; or (C) a dining club licensee; or (ii)]~~ the

2157 licensed premises of:

2158 (A) a dining club licensee unless accompanied by an individual who is 21 years of age
2159 or older; or

2160 (B) a bar licensee, except to the extent provided for under Section [32B-6-406.1](#) ~~[-]~~;

2161 (ii) may only be admitted into, use, or be in the lounge or bar area of an equity

2162 licensee's or fraternal licensee's licensed premises:

2163 (A) when accompanied by an individual who is 21 years of age or older; and

2164 (B) momentarily while en route to another area of the licensee's premises; and

2165 (iii) may not remain or sit in the lounge or bar area of an equity licensee's or fraternal
2166 licensee's licensed premises.

2167 (b) Notwithstanding Section 32B-5-308, a bar establishment licensee may not employ a
2168 minor to:

2169 (i) work in a lounge or bar area of an equity licensee, fraternal licensee, or dining club
2170 licensee; or

2171 (ii) handle an alcoholic product.

2172 (c) Notwithstanding Section 32B-5-308, a minor may not be employed on the licensed
2173 premises of a bar licensee.

2174 (d) Nothing in this part or Section 32B-5-308 precludes a local authority from being
2175 more restrictive of a minor's admittance to, use of, or presence on the licensed premises of a bar
2176 establishment licensee.

2177 (6) A bar establishment licensee shall have food available at all times when an
2178 alcoholic product is sold, offered for sale, furnished, or consumed on the licensed premises.

2179 (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have
2180 more than two alcoholic products of any kind at a time before the patron.

2181 (b) A patron may not have two spirituous liquor drinks before the bar establishment
2182 licensee patron if one of the spirituous liquor drinks consists only of the primary spirituous
2183 liquor for the other spirituous liquor drink.

2184 (c) An individual portion of wine is considered to be one alcoholic product under
2185 Subsection (7)(a).

2186 (8) A bar establishment licensee shall have available on the premises for a patron to
2187 review at the time that the patron requests it, a written alcoholic product price list or a menu
2188 containing the price of an alcoholic product sold, offered for sale, or furnished by the bar
2189 establishment licensee including:

2190 (a) a set-up charge;

2191 (b) a service charge; or

2192 (c) a chilling fee.

2193 (9) Subject to Section 32B-5-309, a bar establishment licensee may not temporarily
2194 rent or otherwise temporarily lease its premises to a person unless:

2195 (a) the person to whom the bar establishment licensee rents or leases the premises

2196 agrees in writing to comply with this title as if the person is the bar establishment licensee,
2197 except for a requirement related to making or maintaining a record; and

2198 (b) the bar establishment licensee takes reasonable steps to ensure that the person
2199 complies with this section as provided in Subsection (9)(a).

2200 (10) If a bar establishment licensee is an equity licensee or fraternal licensee, the bar
2201 establishment licensee shall comply with Section 32B-6-407.

2202 (11) If a bar establishment licensee is a dining club licensee or bar licensee, the bar
2203 establishment licensee shall comply with Section 32B-1-407.

2204 (12) (a) A bar establishment licensee shall own or lease premises suitable for the bar
2205 establishment licensee's activities.

2206 (b) A bar establishment licensee may not maintain licensed premises in a manner that
2207 barricades or conceals the bar establishment licensee's operation.

2208 Section 22. Section 32B-6-603 is amended to read:

2209 **32B-6-603. Commission's power to issue on-premise banquet license -- Contracts**
2210 **as host.**

2211 (1) (a) Before a person may store, sell, offer for sale, furnish, or allow the consumption
2212 of an alcoholic product in connection with the person's banquet and room service activities at
2213 one of the following, the person shall first obtain an on-premise banquet license in accordance
2214 with this part:

2215 (i) a hotel;

2216 (ii) a resort facility;

2217 (iii) a sports center;

2218 (iv) a convention center; ~~or~~

2219 (v) a performing arts facility~~[-];~~ or

2220 (vi) an arena.

2221 (b) This part does not prohibit an alcoholic product on the premises of a person listed
2222 in Subsection (1)(a) to the extent otherwise permitted by this title.

2223 (c) This section does not prohibit a person who applies for an on-premise banquet
2224 license to also apply for a package agency if otherwise qualified.

2225 (2) The commission may issue an on-premise banquet license to establish on-premise
2226 banquet licensees in the numbers the commission considers proper for the storage, sale, offer

2227 for sale, furnishing, and consumption of an alcoholic product at a banquet or as part of room
2228 service activities operated by an on-premise banquet licensee.

2229 (3) Subject to Section 32B-1-201, the commission may not issue a total number of
2230 on-premise banquet licenses that at any time exceed the number determined by dividing the
2231 population of the state by 28,765.

2232 (4) Pursuant to a contract between the host of a banquet and an on-premise banquet
2233 licensee:

2234 (a) the host of the banquet may request an on-premise banquet licensee to provide an
2235 alcoholic product served at the banquet; and

2236 (b) an on-premise banquet licensee may provide an alcoholic product served at the
2237 banquet.

2238 (5) At a banquet, an on-premise banquet licensee may furnish an alcoholic product:

2239 (a) without charge to a patron at a banquet, except that the host of the banquet shall pay
2240 for an alcoholic product furnished at the banquet; or

2241 (b) with a charge to a patron at the banquet.

2242 (6) To be licensed as an on-premise banquet, a person shall maintain at least 50% of
2243 the person's total annual banquet gross receipts from the sale of food, which does not include:

2244 (a) mix for an alcoholic product; or

2245 (b) a charge in connection with the furnishing of an alcoholic product.

2246 Section 23. Section 32B-6-605 is amended to read:

2247 **32B-6-605. Specific operational requirements for on-premise banquet license.**

2248 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2249 Requirements, an on-premise banquet licensee and staff of the on-premise banquet licensee
2250 shall comply with this section.

2251 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2252 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2253 (i) an on-premise banquet licensee;

2254 (ii) individual staff of an on-premise banquet licensee; or

2255 (iii) both an on-premise banquet licensee and staff of the on-premise banquet licensee.

2256 (2) An on-premise banquet licensee shall comply with Subsections 32B-5-301(4) and

2257 (5) for the entire premises of the hotel, resort facility, sports center, convention center, or

2258 performing arts facility that is the basis for the on-premise banquet license.

2259 (3) (a) For the purpose described in Subsection (3)(b), an on-premise banquet licensee
2260 shall provide the department with advance notice of a scheduled banquet in accordance with
2261 rules made by the commission.

2262 (b) Any of the following may conduct a random inspection of a banquet:

2263 (i) an authorized representative of the commission or the department; or

2264 (ii) a law enforcement officer.

2265 (4) (a) An on-premise banquet licensee is not subject to Section 32B-5-302, but shall
2266 make and maintain the records the commission or department requires.

2267 (b) Section 32B-1-205 applies to a record required to be made or maintained in
2268 accordance with this Subsection (4).

2269 (5) (a) Except as otherwise provided in this title, an on-premise banquet licensee may
2270 sell, offer for sale, or furnish an alcoholic product at a banquet only for consumption at the
2271 location of the banquet.

2272 (b) Except as provided in [~~Subsection~~] Subsections 32B-5-307(4) and (5), a host of a
2273 banquet, a patron, or a person other than the on-premise banquet licensee or staff of the
2274 on-premise banquet licensee, may not remove an alcoholic product from the premises of the
2275 banquet.

2276 (c) Notwithstanding Subsection 32B-5-307(3) and except as provided in [~~Subsection~~]
2277 Subsections 32B-5-307(4) and (5), a patron at a banquet may not bring an alcoholic product
2278 into or onto, or remove an alcoholic product from, the premises of a banquet.

2279 (6) (a) An on-premise banquet licensee may not leave an unsold alcoholic product at
2280 the banquet following the conclusion of the banquet.

2281 (b) At the conclusion of a banquet, an on-premise banquet licensee shall:

2282 (i) destroy an opened and unused alcoholic product that is not saleable, under
2283 conditions established by the department; and

2284 (ii) return to the on-premise banquet licensee's approved locked storage area any:

2285 (A) opened and unused alcoholic product that is saleable; and

2286 (B) unopened container of an alcoholic product.

2287 (c) Except as provided in Subsection (6)(b) with regard to an open or sealed container
2288 of an alcoholic product not sold or consumed at a banquet, an on-premise banquet licensee:

2289 (i) shall store the alcoholic product in the on-premise banquet licensee's approved
2290 locked storage area; and

2291 (ii) may use the alcoholic product at more than one banquet.

2292 (7) Notwithstanding Section 32B-5-308, an on-premise banquet licensee may not
2293 employ a minor to sell, furnish, or dispense an alcoholic product in connection with the
2294 on-premise banquet licensee's banquet and room service activities.

2295 (8) An on-premise banquet licensee:

2296 (a) may provide room service in portions described in Section 32B-5-304; ~~and~~

2297 (b) may not sell, offer for sale, or furnish an alcoholic product at a banquet or in
2298 connection with room service any day during a period that:

2299 (i) begins at 1 a.m.; and

2300 (ii) ends at 9:59 a.m[-]; and

2301 (c) notwithstanding Section 32B-5-305, may provide as room service one alcoholic
2302 product free of charge per guest room, if the alcoholic product is in an unopened container not
2303 to exceed 750 milliliters.

2304 (9) (a) Subject to the other provisions of this Subsection (9), a patron may not have
2305 more than two alcoholic products of any kind at a time before the patron.

2306 (b) A patron may not have more than one spirituous liquor drink at a time before the
2307 patron.

2308 (c) An individual portion of wine is considered to be one alcoholic product under
2309 Subsection (9)(a).

2310 (10) (a) An on-premise banquet licensee shall supervise and direct a person involved in
2311 the sale, offer for sale, or furnishing of an alcoholic product.

2312 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
2313 shall complete an alcohol training and education seminar.

2314 (11) A staff person of an on-premise banquet licensee shall remain at the banquet at all
2315 times when an alcoholic product is sold, offered for sale, furnished, or consumed at the
2316 banquet.

2317 (12) (a) Room service of an alcoholic product to a guest room of a hotel or resort
2318 facility shall be provided in person by staff of an on-premise banquet licensee only to an adult
2319 guest in the guest room.

2320 (b) An alcoholic product may not be left outside a guest room for retrieval by a guest.

2321 (13) An on-premise banquet licensee may not maintain a minibar.

2322 Section 24. Section **32B-6-702** is amended to read:

2323 **32B-6-702. Definitions.**

2324 As used in this part~~[-"recreational"]~~:

2325 (1) "Commission-approved activity" means a leisure activity that:

2326 (a) the commission approves by rule made in accordance with Title 63G, Chapter 3,

2327 Utah Administrative Rulemaking Act; and

2328 (b) is not a dangerous activity.

2329 (2) "Dangerous activity" means an activity that involves a significant risk of bodily

2330 injury.

2331 (3) (a) "Recreational amenity" means:

2332 ~~[(1)]~~ (i) a billiard parlor;

2333 ~~[(2)]~~ (ii) a pool parlor;

2334 ~~[(3)]~~ (iii) a bowling facility;

2335 ~~[(4)]~~ (iv) a golf course;

2336 ~~[(5)]~~ (v) miniature golf;

2337 ~~[(6)]~~ (vi) a golf driving range;

2338 ~~[(7)]~~ (vii) a tennis club;

2339 ~~[(8)]~~ (viii) a sports facility that hosts professional sporting events and has a seating

2340 capacity equal to or greater than 6,500;

2341 ~~[(9)]~~ (ix) a concert venue that has a seating capacity equal to or greater than 6,500;

2342 ~~[(10)]~~ (x) one of the following if owned by a government agency:

2343 ~~[(a)]~~ (A) a convention center;

2344 ~~[(b)]~~ (B) a fair facility;

2345 ~~[(c)]~~ (C) an equestrian park;

2346 ~~[(d)]~~ (D) a theater; or

2347 ~~[(e)]~~ (E) a concert venue;

2348 ~~[(11)]~~ (xi) an amusement park:

2349 ~~[(a)]~~ (A) with one or more permanent amusement rides; and

2350 ~~[(b)]~~ (B) located on at least 50 acres;

2351 ~~[(12)]~~ (xii) a ski resort;

2352 ~~[(13)]~~ (xiii) a venue for live entertainment if the venue:

2353 ~~[(a)]~~ (A) is not regularly open for more than five hours on any day;

2354 ~~[(b)]~~ (B) is operated so that food is available whenever beer is sold, offered for sale, or

2355 furnished at the venue; and

2356 ~~[(c)]~~ (C) is operated so that no more than 15% of its total annual receipts are from the

2357 sale of beer; ~~[or]~~

2358 ~~[(14)]~~ (xiv) concessions operated within the boundary of a park administered by the:

2359 ~~[(a)]~~ (A) Division of Parks and Recreation; or

2360 ~~[(b)]~~ (B) National Parks Service~~[-]~~;

2361 (xv) an axe throwing facility; or

2362 (xvi) an enterprise developed around a commission-approved activity.

2363 (b) "Recreational amenity" does not include an item described in Subsection (3)(a), if

2364 the item is tangential to an enterprise or activity that is not included in Subsection (3)(a).

2365 Section 25. Section **32B-6-803** is amended to read:

2366 **32B-6-803. Commission's power to issue reception center license.**

2367 (1) Before a person may store, sell, offer for sale, or furnish an alcoholic product on

2368 ~~[its]~~ the person's premises as a reception center, the person shall first obtain a reception center

2369 license from the commission in accordance with this part.

2370 (2) The commission may issue a reception center license to establish reception center

2371 licensed premises at places and in numbers the commission considers proper for the storage,

2372 sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated

2373 as a reception center.

2374 (3) Subject to Section **32B-1-201**, the commission may not issue a total number of

2375 reception center licenses that at any time exceeds the number determined by dividing the

2376 population of the state by 251,693.

2377 (4) The commission may not issue a reception center license for premises that do not

2378 meet the proximity requirements of Section **32B-1-202**.

2379 (5) (a) To be licensed as a reception center, a person ~~[may not maintain in excess of~~

2380 ~~30% of its total annual receipts from the sale of an alcoholic product, which includes]~~ shall

2381 maintain at least 50% of the person's total annual gross receipts from the sale of food, which

2382 does not include:

2383 (i) mix for an alcoholic product; or

2384 (ii) a charge in connection with the furnishing of an alcoholic product.

2385 (b) A reception center licensee shall report the information necessary to show

2386 compliance with this Subsection (5) to the department on an annual basis.

2387 Section 26. Section **32B-6-805** is amended to read:

2388 **32B-6-805. Specific operational requirements for a reception center license.**

2389 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational

2390 Requirements, a reception center licensee and staff of the reception center licensee shall

2391 comply with this section.

2392 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2393 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2394 (i) a reception center licensee;

2395 (ii) individual staff of a reception center licensee; or

2396 (iii) both a reception center licensee and staff of the reception center licensee.

2397 (2) In addition to complying with Section **32B-5-303**, a reception center licensee shall

2398 store an alcoholic product in a storage area described in Subsection (14)(a).

2399 (3) (a) For the purpose described in Subsection (3)(b), a reception center licensee shall

2400 provide the following with advance notice of a scheduled event in accordance with rules made
2401 by the commission:

2402 (i) the department; and

2403 (ii) the local law enforcement agency responsible for the enforcement of this title in the
2404 jurisdiction where the reception center is located.

2405 (b) Any of the following may conduct a random inspection of an event:

2406 (i) an authorized representative of the commission or the department; or

2407 (ii) a law enforcement officer.

2408 (4) (a) Except as otherwise provided in this title, a reception center licensee may sell,

2409 offer for sale, or furnish an alcoholic product at an event only for consumption at the reception
2410 center's licensed premises.

2411 (b) A host of an event, a patron, or a person other than the reception center licensee or

2412 staff of the reception center licensee, may not remove an alcoholic product from the reception

2413 center's licensed premises.

2414 (c) Notwithstanding Section 32B-5-307, a patron at an event may not bring an
2415 alcoholic product into or onto, or remove an alcoholic product from, the reception center.

2416 (5) (a) A reception center licensee may not leave an unsold alcoholic product at an
2417 event following the conclusion of the event.

2418 (b) At the conclusion of an event, a reception center licensee shall:

2419 (i) destroy an opened and unused alcoholic product that is not saleable, under
2420 conditions established by the department; and

2421 (ii) return to the reception center licensee's approved locked storage area any:

2422 (A) opened and unused alcoholic product that is saleable; and

2423 (B) unopened container of an alcoholic product.

2424 (c) Except as provided in Subsection (5)(b) with regard to an open or sealed container
2425 of an alcoholic product not sold or consumed at an event, a reception center licensee:

2426 (i) shall store the alcoholic product in accordance with Subsection (2); and

2427 (ii) may use the alcoholic product at more than one event.

2428 (6) Notwithstanding Section 32B-5-308, a reception center licensee may not employ a
2429 minor in connection with an event at the reception center at which food is not made available.

2430 (7) A person's willingness to serve an alcoholic product may not be made a condition
2431 of employment as a server with a reception center licensee.

2432 (8) A reception center licensee may not sell, offer for sale, or furnish an alcoholic
2433 product at the licensed premises on any day during the period that:

2434 (a) begins at 1 a.m.; and

2435 (b) ends at 9:59 a.m.

2436 (9) A reception center licensee may not sell, offer for sale, or furnish an alcoholic
2437 product at an event at which a minor is present unless the reception center licensee makes food
2438 available at all times when an alcoholic product is sold, offered for sale, furnished, or
2439 consumed during the event.

2440 (10) (a) Subject to the other provisions of this Subsection (10), a patron may not have
2441 more than two alcoholic products of any kind at a time before the patron.

2442 (b) An individual portion of wine is considered to be one alcoholic product under
2443 Subsection (10)(a).

2444 (11) (a) A reception center licensee shall supervise and direct a person involved in the
2445 sale, offer for sale, or furnishing of an alcoholic product.

2446 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
2447 shall complete an alcohol training and education seminar.

2448 (12) A staff person of a reception center licensee shall remain at an event at all times
2449 when an alcoholic product is sold, offered for sale, furnished, or consumed at the event.

2450 (13) A reception center licensee may not sell, offer for sale, or furnish an alcoholic
2451 product to a patron, and a patron may not consume an alcoholic product at a bar structure.

2452 (14) Except as provided in Subsection (15), a reception center licensee may dispense
2453 an alcoholic product only if:

2454 (a) the alcoholic product is dispensed from an area that is:

2455 (i) separated from an area for the consumption of food by a patron by a solid,
2456 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
2457 an alcoholic product are:

2458 (A) not readily visible to a patron; and

2459 (B) not accessible by a patron; and

2460 (ii) apart from an area used:

2461 (A) for staging; or

2462 (B) as a lobby or waiting area;

2463 (b) the reception center licensee uses an alcoholic product that is:

2464 (i) stored in an area described in Subsection (14)(a); or

2465 (ii) in an area not described in Subsection (14)(a) on the licensed premises and:

2466 (A) immediately before the alcoholic product is dispensed it is in an unopened
2467 container;

2468 (B) the unopened container is taken to an area described in Subsection (14)(a) before it
2469 is opened; and

2470 (C) once opened, the container is stored in an area described in Subsection (14)(a); and

2471 (c) any instrument or equipment used to dispense an alcoholic product is located in an
2472 area described in Subsection (14)(a).

2473 (15) A reception center licensee may dispense an alcoholic product from a mobile
2474 serving area that:

2475 (a) is moved only by staff of the reception center licensee;

2476 (b) is capable of being moved by only one individual; and

2477 (c) is no larger than 6 feet long and 30 inches wide.

2478 (16) (a) A reception center licensee may not have an event on the licensed premises

2479 [~~except~~] unless the event:

2480 (i) is pursuant to a contract between a third party host of the event and the reception
2481 center licensee under which the reception center licensee provides an alcoholic product sold,
2482 offered for sale, or furnished at an event[-]; or

2483 (ii) is a private event.

2484 (b) At an event, a reception center licensee may furnish an alcoholic product:

2485 (i) without charge to a patron, except that the third party host of the event shall pay for
2486 an alcoholic product furnished at the event; or

2487 (ii) with a charge to a patron at the event.

2488 (c) The commission may by rule define what constitutes a "third-party host" for
2489 purposes of this Subsection (16) so that a reception center licensee and the third-party host are
2490 not owned by or operated by the same persons, except that the rule shall permit a reception
2491 center licensee to host an event for an immediate family member of the reception center
2492 licensee.

2493 (17) A reception center licensee shall have culinary facilities that are:

2494 (a) adequate to prepare a full meal; and

2495 (b) (i) located on the licensed premises; or

2496 (ii) under the same control as the reception center licensee.

2497 (18) (a) Except as provided in Subsection (18)(b), a reception center licensee may not
2498 operate an event:

2499 (i) that is open to the general public; and

2500 (ii) at which an alcoholic product is sold or offered for sale.

2501 (b) A reception center licensee may operate an event described in Subsection (18)(a) if
2502 the event is hosted:

2503 (i) at the reception center no more frequently than once a calendar year; and

2504 (ii) by a nonprofit organization that is organized and qualified under Section 501(c),
2505 Internal Revenue Code.

2506 Section 27. Section **32B-7-409** is enacted to read:

2507 **32B-7-409. Multiple licenses on same premises.**

2508 (1) Except as provided in Subsection (2), the commission may not issue and an
2509 off-premise beer retailer state licensee may not hold more than one type of license for the same
2510 licensed premises or adjacent licensed premises, unless the licensed premises:

2511 (a) are separated by a permanent, floor-to-ceiling wall;

2512 (b) each have a separate entrance to the licensed premises; and

2513 (c) each have separate restroom facilities on the licensed premises.

2514 (2) The commission may issue and an off-premise beer retailer state licensee may hold
2515 more than one type of license for the same licensed premises or adjacent licensed premises, if:

2516 (a) a manufacturing licensee is located on or adjacent to the licensed premises; and

2517 (b) a package agency is located on or adjacent to the licensed premises.

2518 Section 28. Section **32B-8-102** is amended to read:

2519 **32B-8-102. Definitions.**

2520 As used in this chapter:

2521 (1) "Boundary of a resort building" means the physical boundary of the ~~[land]~~ real
2522 property reasonably related to a resort building and any structure or improvement to that land
2523 as determined by the commission.

2524 (2) "Dwelling" means a portion of a resort building:

2525 (a) owned by one or more individuals;

2526 (b) that is used or designated for use as a residence by one or more persons; and

2527 (c) that may be rented, loaned, leased, or hired out for a period of no longer than 30
2528 consecutive days by a person who uses it for a residence.

2529 (3) "Engaged in the management of the resort" may be defined by the commission by
2530 rule.

2531 ~~[(4) "Invitee" means an individual who in accordance with Subsection 32B-8-304 (11)~~
2532 ~~is authorized to use a resort spa by a host who is:]~~

2533 ~~[(a) a resident; or]~~

2534 ~~[(b) a public customer.]~~

2535 ~~[(5) "Provisions applicable to a sublicense" means:]~~

2536 ~~[(a) for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant~~

2537 License;]

2538 [~~(b) for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service~~

2539 Restaurant License;]

2540 [~~(c) for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;]~~

2541 [~~(d) for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet~~

2542 License;]

2543 [~~(e) for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer~~

2544 Retailer License; and]

2545 [~~(f) for a resort spa sublicense, Part 3, Resort Spa Sublicense.]~~

2546 [~~(6) "Public customer" means an individual who holds a customer card in accordance~~

2547 ~~with Subsection 32B-8-304(12):]~~

2548 [~~(7)] (4) "Resident" means an individual who:~~

2549 (a) owns a dwelling located within a resort building; or

2550 (b) rents lodging accommodations for 30 consecutive days or less from:

2551 (i) an owner of a dwelling described in Subsection [~~(7)] (4)(a); or~~

2552 (ii) the resort licensee.

2553 [~~(8)] (5) "Resort" means a location:~~

2554 (a) on which is located one resort building; and

2555 (b) that is affiliated with a ski area that physically touches the boundary of the resort

2556 building.

2557 [~~(9)] (6) "Resort building" means a building:~~

2558 (a) that is primarily operated to provide dwellings or lodging accommodations;

2559 (b) that has at least 150 units that consist of a dwelling or lodging accommodations;

2560 (c) that consists of at least 400,000 square feet:

2561 (i) including only the building itself; and

2562 (ii) not including areas such as above ground surface parking; and

2563 (d) of which at least 50% of the units described in Subsection [~~(9)] (6)(b) consist of~~

2564 dwellings owned by a person other than the resort licensee.

2565 [~~(10) "Resort spa" means a spa, as defined by rule by the commission, that is within the~~

2566 ~~boundary of a resort building.]~~

2567 [~~(11) "Sublicense" means:]~~

2568 [~~(a) a full-service restaurant sublicense;~~]

2569 [~~(b) a limited-service restaurant sublicense;~~]

2570 [~~(c) a bar establishment sublicense;~~]

2571 [~~(d) an on-premise banquet sublicense;~~]

2572 [~~(e) an on-premise beer retailer sublicense; and]~~

2573 [~~(f) a resort spa sublicense.]~~

2574 [~~(12) "Sublicense premises" means a building, enclosure, or room used pursuant to a~~

2575 ~~sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic~~

2576 ~~product, unless otherwise defined in this title or in the rules made by the commission.]~~

2577 Section 29. Section **32B-8-201** is amended to read:

2578 **32B-8-201. Commission's power to issue a resort license.**

2579 (1) Before a person as a resort under a single license may store, sell, offer for sale,
2580 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person
2581 shall first obtain a resort license from the commission in accordance with this part.

2582 (2) (a) The commission may issue to a person a resort license to allow the storage, sale,
2583 offer for sale, furnishing, and consumption of an alcoholic product in connection with a resort
2584 designated in the resort license if the person operates at least four sublicenses under the resort
2585 license.

2586 (b) A resort license shall:

2587 (i) consist of:

2588 (A) a general resort license; and

2589 (B) [~~the~~] four or more sublicenses; and

2590 (ii) designate the boundary of the resort building.

2591 (c) This chapter does not prohibit an alcoholic product in or on the boundary of the
2592 resort building to the extent otherwise permitted by this title.

2593 [~~(d) The commission may not issue a sublicense that is separate from a resort license.]~~

2594 (3) [~~(a)~~] The commission may not issue a total number of resort licenses that at any
2595 time totals more than four.

2596 [~~(b) Subject to Subsection (3)(c), when determining the total number of licenses the~~
2597 ~~commission has issued for each type of retail license, the commission may not include a~~
2598 ~~sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.]~~

2599 ~~[(c) If a resort license issued under this chapter includes a sublicense that before the~~
 2600 ~~issuance of the resort license was a retail licensee under this chapter, the commission shall~~
 2601 ~~include the sublicense as one of the retail licenses issued under the provisions applicable to the~~
 2602 ~~sublicense in determining if the total number of licenses issued under the provisions applicable~~
 2603 ~~to the sublicense exceeds the number calculated by dividing the population of the state by the~~
 2604 ~~number specified in the provisions applicable to the sublicense.]~~

2605 Section 30. Section **32B-8-202** is amended to read:

2606 **32B-8-202. Specific licensing requirements for resort license.**

2607 (1) To obtain a resort license, in addition to complying with Chapter 5, Part 2, Retail
 2608 Licensing Process, a person shall submit with the person's written application:

2609 ~~[(a) the current business license for each sublicense, if the business license is separate~~
 2610 ~~from the person's business license;]~~

2611 ~~[(b)]~~ (a) evidence:

2612 (i) of proximity of the resort building to any community location~~[, with proximity~~
 2613 ~~requirements being governed by Section 32B-1-202];~~

2614 (ii) that each ~~[of the four or more sublicense]~~ proposed sublicensed premises is entirely
 2615 within the boundaries of the resort building; and

2616 (iii) that the building designated in the application as the resort building qualifies as a
 2617 resort building; and

2618 ~~[(c)]~~ (b) a description and boundary map of the resort building~~[:];~~

2619 ~~[(d) a description, floor plan, and boundary map of each sublicense premises~~
 2620 ~~designating:]~~

2621 ~~[(i) any location at which the person proposes that an alcoholic product be stored; and]~~

2622 ~~[(ii) a designated location on the sublicense premises from which the person proposes~~
 2623 ~~that an alcoholic product be sold, furnished, or consumed;]~~

2624 ~~[(e) evidence that the resort license person carries dramshop insurance coverage equal~~
 2625 ~~to the sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both~~
 2626 ~~the general resort license and each sublicense; and]~~

2627 ~~[(f) a signed consent form stating that the person will permit any authorized~~
 2628 ~~representative of the commission, department, or any law enforcement officer to have~~
 2629 ~~unrestricted right to enter the boundary of the resort building and each sublicense premises.]~~

- 2630 (2) (a) A resort license expires on October 31 of each year.
- 2631 (b) To renew a person's resort license, the person shall comply with the requirements of
2632 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.
- 2633 (3) (a) The nonrefundable application fee for a resort license is \$300.
- 2634 (b) The initial license fee for a resort license is calculated as follows:
- 2635 (i) [~~\$10,000~~] if four sublicenses are being applied for under the resort license, \$10,000;
- 2636 or
- 2637 (ii) if more than four sublicenses are being applied for under the resort license, the sum
2638 of:
- 2639 (A) \$10,000; and
- 2640 (B) \$2,000 for each sublicense in excess of four sublicenses for which the person is
2641 applying.
- 2642 (c) The renewal fee for a resort license is \$1,000 for each sublicense under the resort
2643 license.
- 2644 (4) (a) The bond amount required for a resort license is the penal sum of \$25,000.
- 2645 (b) A resort licensee is not required to have a separate bond for each sublicense, except
2646 that the aggregate of the bonds posted by the resort licensee shall cover each sublicense under
2647 the resort license.
- 2648 (5) The commission may not issue a resort license for a resort building that does not
2649 meet the proximity requirements of Section [32B-1-202](#).
- 2650 (6) In accordance with Subsection [32B-8d-103\(4\)](#), a resort licensee may request to add
2651 a sublicense after the commission issues the resort licensee's resort license.
- 2652 Section 31. Section **32B-8-401** is amended to read:
- 2653 **32B-8-401. Specific operational requirements for resort license.**
- 2654 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2655 Requirements, a resort licensee, staff of the resort licensee, and a sublicensee or a person
2656 otherwise operating under a sublicense shall comply with this section.
- 2657 (b) Subject to Section [32B-8-502](#), failure to comply as provided in Subsection (1)(a)
2658 may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and
2659 Enforcement Act, against:
- 2660 (i) [~~a~~] the resort licensee;

- 2661 (ii) individual staff of ~~[a]~~ the resort licensee;
- 2662 (iii) a sublicensee or person otherwise operating under a sublicense of the resort
- 2663 licensee;
- 2664 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense
- 2665 of the resort licensee; or
- 2666 (v) any combination of the persons listed in ~~[this Subsection (1)(b)]~~ Subsections
- 2667 (1)(b)(i) through (iv).
- 2668 (2) (a) A resort licensee may not sell, offer for sale, or furnish an alcoholic product
- 2669 except:
- 2670 (i) on ~~[a sublicense]~~ sublicensed premises;
- 2671 (ii) pursuant to a permit issued under this title; or
- 2672 (iii) under a package agency agreement with the department, subject to Chapter 2, Part
- 2673 6, Package Agency.
- 2674 (b) A resort licensee who sells, offers for sale, or furnishes an alcoholic product as
- 2675 provided in Subsection (2)(a), shall sell, offer for sale, or furnish the alcoholic product:
- 2676 (i) if on a sublicense premises, in accordance with the operational requirements ~~[under~~
- 2677 ~~the provisions applicable to the sublicense, except as provided in Section 32B-8-402]~~ described
- 2678 in Section 32B-8d-104;
- 2679 (ii) if under a permit issued under this title, in accordance with the operational
- 2680 requirements under the provisions applicable to the permit; and
- 2681 (iii) if as a package agency, in accordance with the contract with the department and
- 2682 Chapter 2, Part 6, Package Agency.
- 2683 ~~[(3) A resort licensee shall comply with Subsections 32B-5-301(4) and (5) within the~~
- 2684 ~~boundary of the resort building.]~~
- 2685 ~~[(4)]~~ (3) A resort licensee shall operate in a manner so that at least 70% of the annual
- 2686 aggregate of the gross receipts related to the sale of food or beverages for the resort license and
- 2687 each of ~~[its]~~ the resort licensee's sublicenses is from the sale of food, not including:
- 2688 (a) mix for an alcoholic product; and
- 2689 (b) a charge in connection with the service of an alcoholic product.
- 2690 ~~[(5)]~~ (4) (a) A resort licensee shall supervise and direct a person involved in the sale,
- 2691 offer for sale, or furnishing of an alcoholic product under a resort license.

2692 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
2693 under a resort license shall complete the alcohol training and education seminar.

2694 ~~[(6)]~~ (5) (a) Room service of an alcoholic product to a lodging accommodation of a
2695 resort licensee shall be provided in person by staff of ~~[a]~~ the resort licensee only to an adult
2696 occupant in the lodging accommodation.

2697 (b) An alcoholic product may not be left outside a lodging accommodation for retrieval
2698 by an occupant.

2699 Section 32. Section **32B-8-501** is amended to read:

2700 **32B-8-501. Enforcement of qualifications for resort license or sublicense.**

2701 (1) The commission or department may not take an action described in Subsection (2)
2702 with regard to a resort license unless the person who is found not to meet the qualifications of
2703 ~~[Section 32B-8-203]~~ Subsection 32B-1-304(1) is one of the following who is engaged in the
2704 management of the resort:

2705 (a) a partner;

2706 (b) a managing agent;

2707 (c) a manager;

2708 (d) an officer;

2709 (e) a director;

2710 (f) a stockholder who holds at least 20% of the total issued and outstanding stock of the
2711 corporation;

2712 (g) a member who owns at least 20% of the limited liability company; or

2713 (h) a person employed to act in a supervisory or managerial capacity for the resort
2714 licensee.

2715 (2) Subsection (1) applies to:

2716 (a) the commission immediately suspending or revoking a resort license, if after the
2717 day on which the resort license is issued, a person described in Subsection ~~[32B-8-203(1)]~~

2718 32B-1-304(7)(a):

2719 (i) is found to have been convicted of an offense described in Subsection

2720 32B-1-304(1)(a) before the commission issues the resort license ~~[is issued]~~; or

2721 (ii) on or after the day on which the commission issues the resort license ~~[is issued]~~;

2722 (A) is convicted of an offense described in Subsection 32B-1-304(1)(a)(i) or (ii); or

2723 (B) (I) is convicted of driving under the influence of alcohol, a drug, or the combined
2724 influence of alcohol and a drug; and

2725 (II) was convicted of driving under the influence of alcohol, a drug, or the combined
2726 influence of alcohol and a drug within five years before the day on which the person is
2727 convicted of the offense described in Subsection (2)(b)(ii)(A);

2728 (b) the director taking an emergency action by immediately suspending the operation of
2729 a resort license in accordance with Title 63G, Chapter 4, Administrative Procedures Act, for
2730 the period during which the criminal matter is being adjudicated if a person described in
2731 Subsection [~~32B-8-203~~(1)] 32B-1-304(7):

2732 (i) is arrested on a charge for an offense described in Subsection 32B-1-304(1)(a)(i) or
2733 (ii); or

2734 (ii) (A) is arrested on a charge for the offense of driving under the influence of alcohol,
2735 a drug, or the combined influence of alcohol and a drug; and

2736 (B) was convicted of driving under the influence of alcohol, a drug, or the combined
2737 influence of alcohol and a drug within five years before the day on which the person is arrested
2738 on a charge described in Subsection (2)(b)(ii)(A); and

2739 (c) the commission suspending or revoking a resort license because a person to whom
2740 the commission issues a resort license [~~is issued~~] under this chapter no longer possesses the
2741 qualifications required by this title for obtaining the resort license.

2742 (3) This section does not prevent the commission from suspending or revoking a
2743 sublicense that is part of a resort license if a person employed to act in a supervisory or
2744 managerial capacity for a sublicense no longer meets the qualification requirements in the
2745 provisions applicable to the sublicense.

2746 Section 33. Section **32B-8-502** is amended to read:

2747 **32B-8-502. Enforcement of operational requirements for resort license or**
2748 **sublicense.**

2749 (1) (a) Except as provided in Subsection (2) [~~and in addition to Subsection (3)~~], failure
2750 by a person described in Subsection (1)(b) to comply with this chapter or [~~an operational~~
2751 ~~requirement under a provision applicable to a sublicense~~] Chapter 8d, Sublicense Act, may
2752 result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and
2753 Enforcement Act, against:

- 2754 (i) a resort licensee;
- 2755 (ii) individual staff of a resort licensee;
- 2756 (iii) a sublicense or person otherwise operating under a sublicense;
- 2757 (iv) individual staff of a sublicense or person otherwise operating under a sublicense;

2758 or

- 2759 (v) any combination of the persons listed in [~~this Subsection (1)(a)~~] Subsections
- 2760 (1)(a)(i) through (iv).

2761 (b) This Subsection (1) applies to:

- 2762 (i) a resort licensee;
- 2763 (ii) a sublicense or person operating under a sublicense of a resort license; or
- 2764 (iii) staff of a resort licensee or sublicensee or other person operating under a
- 2765 sublicense of a resort license.

2766 (2) (a) Notwithstanding the other provisions of this title, if the failure to comply with
2767 this chapter described in Subsection (1) relates to a sale, offer for sale, or furnishing of an
2768 alcoholic product on [~~a sublicense~~] sublicensed premises, a resort licensee or an individual
2769 member of the resort licensee's management personnel is subject to a sanction described in
2770 Subsection (1), only if the commission finds that:

2771 (i) during the three years before the day on which the commission makes the finding,
2772 there are three or more disciplinary proceedings against any sublicensee or person operating
2773 under a sublicense of the resort licensee for failure to comply with an operational requirement
2774 applicable to the sublicense; and

2775 (ii) the resort licensee has not taken reasonable steps to prevent persons operating
2776 under a sublicense of the resort licensee from failing to comply with operational requirements
2777 applicable to the sublicense.

2778 (b) This Subsection (2) applies if the three or more disciplinary proceedings described
2779 in Subsection (2)(a) are against:

- 2780 (i) the same person operating under a sublicense of the resort licensee; or
- 2781 (ii) two or more different persons operating under a sublicense of the resort licensee.

2782 [~~(3) An operational requirement applicable to a person operating under a sublicense is~~
2783 ~~enforced as provided by the provisions applicable to the sublicense.~~]

2784 Section 34. Section **32B-8a-101** is amended to read:

2785 **Part 8a. Transfer of Alcohol License Act**

2786 **32B-8a-101. Title.**

2787 This chapter is known as the "Transfer of [~~Retail~~] Alcohol License Act."

2788 Section 35. Section **32B-8a-102** is amended to read:

2789 **32B-8a-102. Definitions.**

2790 As used in this chapter:

2791 (1) "Alcohol license" means:

2792 (a) a retail license;

2793 (b) an off-premise beer retailer state license;

2794 (c) a brewery manufacturing license;

2795 (d) a distillery manufacturing license;

2796 (e) a winery manufacturing license; and

2797 (f) a special use permit that is an industrial or manufacturing use permit.

2798 ~~[(1)]~~ (2) "Business entity" means a corporation, partnership, limited liability company,
2799 sole proprietorship, or similar entity.

2800 ~~[(2)]~~ (3) "Transfer fee" means a fee described in Section **32B-8a-303**.

2801 ~~[(3)]~~ (4) "Transferee" means a person who intends to hold [~~a retail~~] an alcohol license
2802 after the transfer of the [~~retail~~] alcohol license if the transfer is approved by the commission
2803 under this chapter.

2804 ~~[(4)]~~ (5) "Transferor" means [~~a retail~~] an alcohol licensee who intends to transfer [~~a~~
2805 ~~retail~~] an alcohol license held by the [~~retail~~] alcohol licensee if the commission approves the
2806 transfer [is approved by the commission] under this chapter.

2807 Section 36. Section **32B-8a-201** is amended to read:

2808 **32B-8a-201. Transferability of alcohol license.**

2809 (1) (a) [~~A retail~~] An alcohol license is separate from other property of [~~a retail~~] an
2810 alcohol licensee.

2811 (b) Notwithstanding Subsection (1)(a), the Legislature may terminate or modify the
2812 existence of any type of [~~retail~~] alcohol license.

2813 (c) Except as provided in this chapter, a person may not:

2814 (i) transfer [~~a retail~~] an alcohol license from one location to another location; or

2815 (ii) sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the

2816 [~~retail~~] alcohol license to another person whether for monetary gain or not.

2817 (d) If approved by the commission and subject to the requirements of this chapter, [~~a~~
2818 ~~retail~~] an alcohol licensee may transfer [~~a retail~~] the alcohol license:

2819 (i) from the [~~retail~~] alcohol licensee to another person, regardless of whether [~~it~~] the
2820 alcohol license is for the same premises; and

2821 (ii) from one premises of the [~~retail~~] alcohol licensee to another premises of the [~~retail~~]
2822 alcohol licensee.

2823 (2) (a) The commission may not approve the transfer of [~~a retail~~] an alcohol license
2824 that results in a transferee holding a different type of [~~retail~~] alcohol license than is held by the
2825 transferor.

2826 (b) [~~The~~] Unless the alcohol license is a bar establishment license, the commission may
2827 not approve the transfer of [~~a retail~~] an alcohol license from one location to another location, if
2828 the location of the premises to which the [~~retail~~] alcohol license would be transferred is in a
2829 different county than the location of the licensed premises of the [~~retail~~] alcohol license being
2830 transferred.

2831 (3) The commission may not approve the transfer of [~~a retail~~] an alcohol license if the
2832 transferee:

2833 (a) is not eligible to hold the same type of [~~retail~~] alcohol license as the [~~retail~~] alcohol
2834 license to be transferred at the premises to which the [~~retail~~] alcohol license would be
2835 transferred; or

2836 (b) is delinquent in the payment of any of the following that arises in full or in part out
2837 of the operation of a [~~retail~~] alcohol license:

2838 (i) a tax, fee, or charge due under this title or Title 59, Revenue and Taxation; or

2839 (ii) an amount due under Title 35A, Chapter 4, Employment Security Act.

2840 (4) This chapter does not apply to a:

2841 (a) master full-service restaurant license; [~~or~~]

2842 (b) master limited-service restaurant license[~~];~~ or

2843 (c) master off-premise beer retailer state license.

2844 Section 37. Section **32B-8a-202** is amended to read:

2845 **32B-8a-202. Effect of transfer of ownership of business entity.**

2846 (1) (a) When the ownership of 51% or more of the shares of stock of a corporation is

2847 acquired by or transferred to one or more persons who did not hold the ownership of 51% of
2848 those shares of stock on the date [~~a-retail~~] an alcohol license is issued to the corporation, the
2849 corporation shall comply with this chapter to transfer the [~~retail~~] alcohol license to the
2850 corporation as if the corporation is newly constituted.

2851 (b) When there is a new general partner or when the ownership of 51% or more of the
2852 capital or profits of a limited partnership is acquired by or transferred to one or more persons as
2853 general or limited partners and who did not hold ownership of 51% or more of the capital or
2854 profits of the limited partnership on the date [~~a-retail~~] an alcohol license is issued to the limited
2855 partnership, the limited partnership shall comply with this chapter to transfer the [~~retail~~]
2856 alcohol license to the limited partnership as if the limited partnership is newly constituted.

2857 (c) When the ownership of 51% or more of the interests in a limited liability company
2858 is acquired by or transferred to one or more persons as members who did not hold ownership of
2859 51% or more of the interests in the limited liability company on the date [~~a-retail~~] an alcohol
2860 license is issued to the limited liability company, the limited liability company shall comply
2861 with this chapter to transfer the [~~retail~~] alcohol license to the limited liability company as if the
2862 limited liability company is newly constituted.

2863 (2) A business entity shall comply with this section within 60 days after the day on
2864 which the event described in Subsection (1) occurs.

2865 Section 38. Section **32B-8a-203** is amended to read:

2866 **32B-8a-203. Operational requirements for transferee.**

2867 (1) (a) A transferee shall begin operations of the [~~retail~~] alcohol license within 30 days
2868 [~~from~~] after the day on which a transfer is approved by the commission, except that:

2869 (i) the department may grant an extension of this time period not to exceed 30 days;
2870 and

2871 (ii) after the extension is authorized by the department under Subsection (1)(a)(i), the
2872 commission may grant one or more additional extensions not to exceed, in the aggregate, seven
2873 months from the day on which the commission approves the transfer, if the transferee can
2874 demonstrate to the commission that the transferee:

2875 (A) cannot begin operations because the transferee is improving the licensed premises;

2876 (B) has obtained a building permit for the improvements described in Subsection

2877 (1)(a)(ii)(A); and

2878 (C) is working expeditiously to complete the improvements to the licensed premises.

2879 (b) A transferee is considered to have begun operations of the [~~retail~~] alcohol license if
2880 the transferee:

2881 (i) has a licensed premises that is open for business;

2882 (ii) (A) sells, offers for sale, or furnishes alcoholic products to a patron on the licensed
2883 premises described in Subsection (1)(b)(i); [~~and~~]

2884 (B) manufactures an alcoholic product on the licensed premises described in
2885 Subsection (1)(b)(i); or

2886 (C) engages in an industrial or manufacturing pursuit containing alcohol on the
2887 licensed premises described in Subsection (1)(b)(i); and

2888 [~~(iii)~~] (iii) has a valid business license.

2889 (2) If a transferee fails to begin operations of the [~~retail~~] alcohol license within the time
2890 period required by Subsection (1), the following are automatically forfeited effective
2891 immediately:

2892 (a) the [~~retail~~] alcohol license; and

2893 (b) the [~~retail~~] alcohol license fee.

2894 (3) A transferee shall begin operations of the [~~retail~~] alcohol license at the location to
2895 which the transfer applies before the transferee may seek a transfer of the [~~retail~~] alcohol
2896 license to a different location.

2897 (4) Notwithstanding Subsection (1), the commission may not issue a conditional
2898 license unless the requirements of Section 32B-5-205 are met, except that the time periods
2899 required by this section supersede the time period provided in Section 32B-5-205.

2900 Section 39. Section 32B-8a-302 is amended to read:

2901 **32B-8a-302. Application -- Approval process.**

2902 (1) To obtain the transfer of [~~a-retail~~] an alcohol license from [~~a-retail~~] an alcohol
2903 licensee, the transferee shall file a transfer application with the department that includes:

2904 (a) an application in the form provided by the department;

2905 (b) a statement as to whether the consideration, if any, to be paid to the transferor
2906 includes payment for transfer of the [~~retail~~] alcohol license;

2907 (c) a statement executed under penalty of perjury that the consideration as set forth in
2908 the escrow agreement required by Section 32B-8a-401 is deposited with the escrow holder; and

- 2909 (d) (i) an application fee of \$300; and
2910 (ii) a transfer fee determined in accordance with Section [32B-8a-303](#).
2911 (2) If the intended transfer of [~~a retail~~] an alcohol license involves consideration, at
2912 least 10 days before the commission may approve the transfer, the department shall post a
2913 notice of the intended transfer on the Public Notice Website created in Section [63F-1-701](#) that
2914 states the following:
- 2915 (a) the name of the transferor;
 - 2916 (b) the name and address of the business currently associated with the [~~retail~~] alcohol
2917 license;
 - 2918 (c) instructions for filing a claim with the escrow holder; and
 - 2919 (d) the projected date that the commission may consider the transfer application.
- 2920 (3) (a) (i) Before the commission may approve the transfer of [~~a retail~~] an alcohol
2921 license, the department shall conduct an investigation and may hold public hearings to gather
2922 information and make recommendations to the commission as to whether the transfer of the
2923 [~~retail~~] alcohol license should be approved.
- 2924 (ii) The department shall forward the information and recommendations described in
2925 this Subsection (3)(a) to the commission to aid in the commission's determination.
 - 2926 (b) Before approving a transfer, the commission shall:
 - 2927 (i) determine that the transferee filed a complete application;
 - 2928 (ii) determine that the transferee is eligible to hold the type of [~~retail~~] alcohol license
2929 that is to be transferred at the premises to which the [~~retail~~] alcohol license would be
2930 transferred;
 - 2931 (iii) determine that the transferee is not delinquent in the payment of an amount
2932 described in Subsection [32B-8a-201](#)(3);
 - 2933 (iv) determine that the transferee is not disqualified under Section [32B-1-304](#);
 - 2934 (v) consider the locality within which the proposed licensed premises is located,
2935 including:
 - 2936 (A) the factors listed in Section [32B-5-203](#) for the issuance of a retail license;
 - 2937 (B) the factors listed in Section [32B-7-404](#) for the issuance of an off-premise beer
2938 retailer state license;
 - 2939 (C) the factors listed in Section [32B-11-206](#) for the issuance of a manufacturing

2940 license; and
2941 (D) the factors listed in Section 32B-10-204 for the issuance of a special use permit
2942 that is an industrial and manufacturing use permit;
2943 (vi) consider the transferee's ability to manage and operate the retail license to be
2944 transferred, including:
2945 (A) the factors listed in Section 32B-5-203 for the issuance of a retail license;
2946 (B) the factors listed in Section 32B-7-404 for the issuance of an off-premise beer
2947 retailer state license;
2948 (C) the factors listed in Section 32B-11-206 for the issuance of a manufacturing
2949 license; and
2950 (D) the factors listed in Section 32B-10-204 for the issuance of a special use permit
2951 that is an industrial and manufacturing use permit;
2952 (vii) consider the nature or type of [~~retail~~] alcohol licensee operation of the transferee,
2953 including:
2954 (A) the factors listed in Section 32B-5-203 for the issuance of a retail license;
2955 (B) the factors listed in Section 32B-7-404 for the issuance of an off-premise beer
2956 retailer state license;
2957 (C) the factors listed in Section 32B-11-206 for the issuance of a manufacturing
2958 license; and
2959 (D) the factors listed in Section 32B-10-204 for the issuance of a special use permit
2960 that is an industrial and manufacturing use permit;
2961 (viii) if the transfer involves consideration, determine that the transferee and transferor
2962 have complied with Part 4, Protection of Creditors; and
2963 (ix) consider any other factor the commission considers necessary.
2964 (4) Except as otherwise provided in Section 32B-1-202, the commission may not
2965 approve the transfer of [~~a retail~~] an alcohol license to premises that do not meet the proximity
2966 requirements of Subsection 32B-1-202(2), Section 32B-7-201, or Section 32B-11-210, as
2967 applicable.
2968 Section 40. Section 32B-8a-303 is amended to read:
2969 **32B-8a-303. Transfer fees.**
2970 (1) Except as otherwise provided in this section, the department shall charge the

2971 following transfer fees:

2972 (a) for a transfer of [~~a retail~~] an alcohol license from [~~a retail~~] an alcohol licensee to
2973 another person, the transfer fee equals the initial license fee amount specified in the relevant
2974 chapter or part [~~under Chapter 6, Specific Retail License Act,~~] for the type of [~~retail~~] alcohol
2975 license that is being transferred;

2976 (b) for the transfer of [~~a retail~~] an alcohol license from one premises to another
2977 premises of the same [~~retail~~] alcohol licensee, the transfer fee equals the renewal fee amount
2978 specified in the relevant chapter or part [~~under Chapter 6, Specific Retail License Act,~~] for the
2979 type of [~~retail~~] alcohol license that is being transferred;

2980 (c) subject to Subsections (1)(d) and (2), for a transfer described in Section
2981 [32B-8a-202](#), the transfer fee equals the renewal fee amount specified in the relevant chapter or
2982 part [~~under Chapter 6, Specific Retail License Act,~~] for the type of [~~retail~~] alcohol license that
2983 is being transferred;

2984 (d) for a transfer of [~~a retail~~] an alcohol license to include the parent or adult child of [~~a~~
2985 ~~retail~~] an alcohol licensee, when no consideration is given for the transfer, the transfer fee is
2986 one-half of the amount described in Subsection (1)(a); and

2987 (e) for one of the following transfers, the transfer fee is one-half of the amount
2988 described in Subsection (1)(a):

2989 (i) [~~a retail~~] an alcohol license of one spouse to the other spouse when the transfer
2990 application is made before the entry of a final decree of divorce;

2991 (ii) [~~a retail~~] an alcohol license of a deceased [~~retail~~] alcohol licensee to:

2992 (A) the one or more surviving partners of the deceased [~~retail~~] alcohol licensee;

2993 (B) the executor, administrator, or conservator of the estate of the deceased [~~retail~~]
2994 alcohol licensee; or

2995 (C) the surviving spouse of the deceased [~~retail~~] alcohol licensee, if the deceased
2996 [~~retail~~] alcohol licensee leaves no estate to be administered;

2997 (iii) [~~a retail~~] an alcohol license of an incompetent person or conservatee by or to the
2998 conservator or guardian for the incompetent person or conservatee who is the [~~retail~~] alcohol
2999 licensee;

3000 (iv) [~~a retail~~] an alcohol license of a debtor in a bankruptcy case by or to the trustee of a
3001 bankrupt estate of the [~~retail~~] alcohol licensee;

3002 (v) [~~a-retail~~] an alcohol license of a person for whose estate a receiver is appointed may
3003 be transferred by or to a receiver of the estate of the [~~retail~~] alcohol licensee;

3004 (vi) [~~a-retail~~] an alcohol license of an assignor for the benefit of creditors by or to an
3005 assignee for the benefit of creditors of a licensee with the consent of the assignor;

3006 (vii) [~~a-retail~~] an alcohol license transferred to a revocable living trust if the [~~retail~~]
3007 alcohol licensee is the trustee of the revocable living trust;

3008 (viii) [~~a-retail~~] an alcohol license transferred between partners when no new partner is
3009 being licensed;

3010 (ix) [~~a-retail~~] an alcohol license transferred between corporations whose outstanding
3011 shares of stock are owned by the same individuals;

3012 (x) upon compliance with Section 32B-8a-202, [~~a-retail~~] an alcohol license to a
3013 corporation whose entire stock is owned by:

3014 (A) the transferor; or

3015 (B) the spouse of the transferor;

3016 (xi) upon compliance with Section 32B-8a-202, [~~a-retail~~] an alcohol license to a limited
3017 liability company whose entire membership consists of:

3018 (A) the transferor; or

3019 (B) the spouse of the transferor; or

3020 (xii) [~~a-retail~~] an alcohol license transferred from a corporation to a person who owns,
3021 or whose spouse owns, the entire stock of the corporation.

3022 (2) If there are multiple and simultaneous transfers of [~~retail~~] alcohol licenses under
3023 Section 32B-8a-202, a transfer fee described in Subsection (1)(c) is required for only one of the
3024 [~~retail~~] alcohol licenses being transferred.

3025 (3) (a) Except as provided in Subsection (3)(b), a transfer fee required under
3026 Subsection (1) is due for a transfer subsequent to a transfer under Subsection (1)(e)(xii) if the
3027 subsequent transfer is of 51% of the stock in a corporation to which [~~a-retail~~] an alcohol license
3028 is transferred by [~~a-retail~~] an alcohol licensee or the spouse of [~~a-retail~~] an alcohol licensee.

3029 (b) If the transfer of stock described in Subsection (3)(a) is from a parent to the parent's
3030 adult child or adult grandchild, the transfer fee is one-half of the amount described in
3031 Subsection (1)(a).

3032 (4) Money collected from a transfer fee shall be deposited in the Liquor Control Fund.

3033 Section 41. Section **32B-8a-401** is amended to read:

3034 **32B-8a-401. Notification of creditors -- Escrow -- Priority of payments.**

3035 (1) Before the filing of a transfer application with the department, if the intended
3036 transfer of [~~a retail~~] an alcohol license involves consideration:

3037 (a) the transferor shall provide the transferee a list of creditors who have a claim
3038 against the transferor;

3039 (b) the transferee shall notify each creditor on the list provided under Subsection (1)(a)
3040 of the intended transfer;

3041 (c) the transferor and the transferee shall establish an escrow with a person who is not a
3042 party to the transfer to act as escrow holder;

3043 (d) the transferee shall deposit with the escrow holder the full amount of the
3044 consideration; and

3045 (e) the transferor and transferee shall enter into an agreement that:

3046 (i) the consideration is deposited with the escrow holder;

3047 (ii) requires the escrow holder to distribute the consideration within a reasonable time
3048 after the completion of the transfer of the [~~retail~~] alcohol license; and

3049 (iii) directs the escrow holder to distribute the consideration in accordance with
3050 Subsection (2).

3051 (2) Subject to the other requirements of this section, if a creditor with a claim against
3052 the transferor files the claim with the escrow holder before the escrow holder is notified by the
3053 department that the transfer is approved, the escrow holder shall distribute the consideration in
3054 the following order:

3055 (a) to the payment of:

3056 (i) the United States for a claim based on income or withholding taxes; and

3057 (ii) a claim based on a tax other than specified in Subsection **32B-8a-201(3)**;

3058 (b) to the payment of a claim for wages, salaries, or fringe benefits earned or accrued
3059 by an employee of the transferor before the transfer or opening of the escrow for the transfer of
3060 the [~~retail~~] alcohol license;

3061 (c) to the payment of a claim of a secured creditor to the extent of the proceeds that
3062 arise from the sale of the security;

3063 (d) to the payment of a claim on a mechanics lien;

- 3064 (e) to the payment of:
- 3065 (i) escrow fees;
- 3066 (ii) a claim for prevailing brokerage fees for services rendered; and
- 3067 (iii) a claim for reasonable attorney fees for services rendered;
- 3068 (f) to the payment of claims:
- 3069 (i) of a landlord, to the extent of proceeds on past due rent or lease requirements;
- 3070 (ii) for goods sold and delivered to the [~~retail~~] alcohol licensee for resale at the
- 3071 transferor's licensed premises; and
- 3072 (iii) for services rendered, performed, or supplied in connection with the operation of
- 3073 the transferor's licensed business;
- 3074 (g) to the payment of other types of claims that are reduced to court-ordered judgments,
- 3075 including a claim for court-ordered support of a minor child; and
- 3076 (h) to the payment of all other claims.

3077 Section 42. Section **32B-8a-402** is amended to read:

3078 **32B-8a-402. Duties of escrow holder.**

3079 (1) To act as an escrow holder under Section 32B-8a-401, a person shall comply with

3080 Title 7, Chapter 22, Regulation of Independent Escrow Agents.

3081 (2) Not more than 10 days after [~~receiving~~] the day on which the escrow holder

3082 receives a claim from a creditor, an escrow holder shall acknowledge receipt of the claim.

3083 (3) (a) Not more than 10 days after [~~a retail~~] the day on which an alcohol license is

3084 transferred and before the distribution of the consideration held by an escrow holder, the

3085 escrow holder shall advise each creditor who files a claim against the escrow whether there is

3086 sufficient consideration in the escrow to pay all creditors in full.

3087 (b) If the consideration in an escrow is sufficient to pay all creditors in full, the escrow

3088 holder shall advise each creditor of the date on or before which payment will be made.

3089 (c) If there are not sufficient assets to pay all creditors in full, the escrow holder shall

3090 advise each creditor who filed a claim of the following:

- 3091 (i) the total assets placed in escrow with the escrow holder;
- 3092 (ii) the nature of each asset;
- 3093 (iii) the name of each creditor who filed a claim against the escrow and the amount of
- 3094 the claim;

- 3095 (iv) the amount the escrow holder proposes to pay each creditor; and
3096 (v) the date on or before which the escrow holder will pay each creditor.
3097 (4) An escrow holder may not release money in the escrow in exchange for:
3098 (a) a promissory note; or
3099 (b) any other consideration of less value to the creditors than the money exchanged.
3100 (5) If sufficient assets are not available in the escrow for the payment of the claims in
3101 full, the escrow holder shall pay the claims pro rata.
3102 (6) If the ~~retail~~ alcohol licensee who transfers the ~~retail~~ alcohol license disputes a
3103 claim, the escrow holder shall:
3104 (a) notify the creditor making the claim;
3105 (b) retain the amount to be paid to the creditor under this section for a period of 25
3106 days; and
3107 (c) to the extent that creditors do not successfully recover the amount described in
3108 Subsection (6)(b) in accordance with this part, pay the amount to the ~~retail~~ alcohol licensee.
3109 (7) An escrow holder shall distribute the money in the escrow account after the
3110 payments made under Subsections 32B-8a-401(2) and this section within a reasonable time
3111 after the completion of the transfer of the ~~retail~~ alcohol license.
3112 Section 43. Section 32B-8a-404 is amended to read:
3113 **32B-8a-404. When escrow not required.**
3114 (1) Notwithstanding the other provisions of this part, an escrow is not required to be
3115 established in connection with the transfer of ~~a retail~~ an alcohol license if:
3116 (a) a business entity files with the department a guaranty of full, prompt, and faithful
3117 payment of all claims of a creditor of the ~~retail~~ alcohol licensee; and
3118 (b) the guaranty described in Subsection (1)(a) is accepted in writing by the creditors
3119 listed in Subsection 32B-8a-401(2).
3120 (2) A transfer of ~~a retail~~ an alcohol license described in Subsection (1) is not
3121 considered complete until:
3122 (a) the guarantor pays all creditors' claims in full; and
3123 (b) the guarantor files with the department a statement executed under penalty of
3124 perjury that all conditions of the transfer have been satisfied.
3125 (3) Payment of a claim by a guarantor shall be made in United States currency or by

3126 certified check in a manner acceptable to the creditors.

3127 (4) This section applies only in the case of a transfer in which the guarantor business
3128 entity has a net worth on a consolidated basis, according to ~~[its]~~ the guarantor business entity's
3129 most recent audited financial statement, of not less than \$5,000,000.

3130 Section 44. Section **32B-8a-501** is amended to read:

3131 **32B-8a-501. License not to be pledged as security -- Prohibited transfers.**

3132 (1) ~~[A retail]~~ An alcohol licensee may not enter into any agreement under which the
3133 ~~[retail]~~ alcohol licensee pledges the ~~[retail]~~ alcohol license as security for a loan or as security
3134 for the fulfillment of any agreement.

3135 (2) ~~[A retail]~~ An alcohol licensee may not transfer ~~[a retail]~~ an alcohol license if the
3136 transfer is to:

3137 (a) satisfy a loan or to fulfill an agreement entered into more than 90 days ~~[preceding~~
3138 ~~the date]~~ before the day on which the transfer application is filed;

3139 (b) gain or establish a preference to or for any creditor of the transferor, except as
3140 provided by Section [32B-8a-202](#); or

3141 (c) defraud or injure a creditor of the transferor.

3142 (3) An alcohol licensee may not transfer a bar establishment license in a manner that
3143 circumvents the limitations of Subsection [32B-8d-103](#)(3)(b) or (c).

3144 ~~[(3)]~~ (4) ~~[A retail]~~ An alcohol licensee may not transfer ~~[a retail]~~ an alcohol license
3145 except in accordance with this chapter.

3146 Section 45. Section **32B-8a-502** is amended to read:

3147 **32B-8a-502. Effect of transfer in violation of this chapter.**

3148 (1) If ~~[a retail]~~ an alcohol license is transferred in violation of this chapter, the
3149 commission may:

3150 (a) void the transfer; and

3151 (b) require the ~~[retail]~~ alcohol license to be forfeited.

3152 (2) Subsection (1) is in addition to any other penalty under this title that is applicable to
3153 the person who violates this chapter.

3154 Section 46. Section **32B-8b-102** is amended to read:

3155 **32B-8b-102. Definitions.**

3156 As used in this chapter:

3157 (1) "Boundary of a hotel" means the physical boundary of one or more contiguous
3158 parcels of real [estate] property owned or managed by the same person and on which a hotel is
3159 located.

3160 (2) "Hotel" means one or more buildings that:

3161 (a) comprise a hotel, as defined by the commission;

3162 (b) are owned or managed by the same person or by a person who has a majority
3163 interest in or can direct or exercise control over the management or policy of the person who
3164 owns or manages any other building under the hotel license within the boundary of the hotel;

3165 (c) primarily operate to provide lodging accommodations;

3166 (d) provide room service within the boundary of the hotel meeting the requirements of
3167 this title;

3168 (e) have on-premise banquet space and provide on-premise banquet service within the
3169 boundary of the hotel meeting the requirements of this title;

3170 (f) have a restaurant or bar establishment within the boundary of the hotel meeting the
3171 requirements of this title; and

3172 (g) have at least 40 guest rooms.

3173 [~~(3) "Provisions applicable to a sublicense" means:~~]

3174 [~~(a) for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant
3175 License;~~]

3176 [~~(b) for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service
3177 Restaurant License;~~]

3178 [~~(c) for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;~~]

3179 [~~(d) for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet
3180 License;~~]

3181 [~~(e) for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer
3182 Retailer License; and]~~

3183 [~~(f) for a beer-only restaurant sublicense, Chapter 6, Part 9, Beer-Only Restaurant
3184 License.~~]

3185 [(4) "Sublicense" means:]

3186 [(a) a full-service restaurant sublicense;]

3187 [(b) a limited-service restaurant sublicense;]

3188 ~~[(c) a bar establishment sublicense;]~~

3189 ~~[(d) an on-premise banquet sublicense;]~~

3190 ~~[(e) an on-premise beer retailer sublicense; and]~~

3191 ~~[(f) a beer-only restaurant sublicense.]~~

3192 ~~[(5) "Sublicense premises" means a building, enclosure, or room used pursuant to a~~
3193 ~~sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic~~
3194 ~~product, unless otherwise defined in this title or in the rules made by the commission.]~~

3195 Section 47. Section **32B-8b-201** is amended to read:

3196 **32B-8b-201. Commission's power to issue a hotel license.**

3197 (1) Before a person as a hotel under a single license may store, sell, offer for sale,
3198 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person
3199 shall first obtain a hotel license from the commission in accordance with this part.

3200 (2) (a) The commission may issue to a person a hotel license to allow the storage, sale,
3201 offer for sale, furnishing, and consumption of an alcoholic product in connection with a hotel
3202 designated in the hotel license if the person operates at least three sublicenses under the hotel
3203 license:

3204 (i) one of which is an on-premise banquet license; and

3205 (ii) one of which is [a sublicense for a restaurant or bar establishment.]:

3206 (A) a full-service restaurant sublicense;

3207 (B) a limited-service restaurant sublicense;

3208 (C) a beer-only restaurant sublicense; or

3209 (D) a bar establishment sublicense.

3210 (b) A hotel license shall:

3211 (i) consist of:

3212 (A) a general hotel license; and

3213 (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

3214 (ii) designate the boundary of the hotel and sublicenses.

3215 (c) This chapter does not prohibit an alcoholic product on the boundary of the hotel to
3216 the extent otherwise permitted by this title.

3217 ~~[(d) The commission may not issue a sublicense that is separate from a hotel license.]~~

3218 (3) ~~[(a)]~~ The commission may not issue a total number of hotel licenses that at any time

3219 totals more than 80.

3220 ~~[(b) Subject to Subsection (3)(c), when determining the total number of licenses the~~
3221 ~~commission has issued for each type of retail license, the commission may not include a~~
3222 ~~sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.]~~

3223 ~~[(c) If a hotel license issued under this chapter includes a bar establishment sublicense~~
3224 ~~that before the issuance of the hotel license was a bar establishment license, the commission~~
3225 ~~shall include the bar establishment sublicense as one of the bar establishment licenses in~~
3226 ~~determining if the total number of licenses issued under the provisions applicable to the bar~~
3227 ~~establishment license exceeds the number calculated by dividing the population of the state by~~
3228 ~~the number specified in the provisions applicable to the bar establishment license.]~~

3229 ~~[(d) A person may not transfer a bar establishment license under Chapter 8a, Transfer~~
3230 ~~of Retail License Act, in a manner that circumvents the limitations of Subsection (3)(c).]~~

3231 Section 48. Section **32B-8b-202** is amended to read:

3232 **32B-8b-202. Specific licensing requirements for hotel license.**

3233 (1) To obtain a hotel license, in addition to complying with Chapter 5, Part 2, Retail
3234 Licensing Process, a person shall submit with the person's written application:

3235 ~~[(a) the current business license for each sublicense, if the business license is separate~~
3236 ~~from the person's business license;]~~

3237 ~~[(b)]~~ (a) evidence:

3238 (i) of proximity of each building under the hotel license to any community location[;
3239 ~~with proximity requirements being governed by Section 32B-1-202];~~

3240 (ii) that each [~~of the three or more sublicense]~~ proposed sublicensed premises is
3241 entirely within the boundary of the hotel; and

3242 (iii) that [~~a~~] each building designated in the application as a building under the hotel
3243 license qualifies to be under the hotel license; and

3244 ~~[(c)]~~ (b) a description and boundary map of the hotel[;].

3245 ~~[(d) a description, floor plan, and boundary map of each sublicense premises~~
3246 ~~designating;]~~

3247 ~~[(i) any location at which the person proposes that an alcoholic product be stored; and]~~

3248 ~~[(ii) a designated location on the sublicense premises from which the person proposes~~
3249 ~~that an alcoholic product be sold, furnished, or consumed;]~~

3250 ~~[(e) evidence that the hotel licensee carries dramshop insurance coverage equal to the~~
3251 ~~sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both the~~
3252 ~~general hotel license and each sublicense; and]~~

3253 ~~[(f) a signed consent form stating that the person will permit any authorized~~
3254 ~~representative of the commission or department, or any law enforcement officer, to have~~
3255 ~~unrestricted right to enter the boundary of the hotel and each sublicense premises.]~~

3256 (2) (a) A hotel license expires on October 31 of each year.

3257 (b) To renew a person's hotel license, the person shall comply with the requirements of
3258 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

3259 (3) (a) The nonrefundable application fee for a hotel license is \$500.

3260 (b) The initial license fee for a hotel license is calculated as follows:

3261 (i) ~~[\$5,000]~~ if three sublicenses are being applied for under the hotel license, \$5,000; or

3262 (ii) if more than three sublicenses are being applied for under the hotel license, the sum
3263 of:

3264 (A) \$5,000; and

3265 (B) \$2,000 for each sublicense in excess of three sublicenses for which the person is
3266 applying.

3267 (c) The renewal fee for a hotel license is \$1,000 for each sublicense under the hotel
3268 license.

3269 (4) (a) The bond amount required for a hotel license is the penal sum of \$10,000.

3270 (b) A hotel licensee is not required to have a separate bond for each sublicense, except
3271 that the aggregate of the bonds posted by the hotel licensee shall cover each sublicense under
3272 the hotel license.

3273 (5) The commission may not issue a hotel license that includes a building under the
3274 hotel license that does not meet the proximity requirements of Section [32B-1-202](#).

3275 (6) In accordance with Subsection [32B-8d-103\(4\)](#), a hotel licensee may request to add a
3276 sublicense after the commission issues the hotel licensee's hotel license.

3277 Section 49. Section **32B-8b-301** is amended to read:

3278 **32B-8b-301. Specific operational requirements for hotel license.**

3279 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
3280 Requirements, a hotel licensee, staff of the hotel licensee, and a sublicensee or person

3281 otherwise operating under a sublicense shall comply with this section.

3282 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3283 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3284 (i) ~~[a]~~ the hotel licensee;

3285 (ii) individual staff of ~~[a]~~ the hotel licensee;

3286 (iii) a sublicensee or person otherwise operating under a sublicense of the hotel
3287 licensee;

3288 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense
3289 of the hotel licensee; or

3290 (v) any combination of the persons listed in this Subsection (1)(b).

3291 (2) (a) A hotel licensee may not sell, offer for sale, or furnish an alcoholic product
3292 except:

3293 (i) on ~~[a sublicense]~~ sublicensed premises;

3294 (ii) pursuant to a permit issued under this title; or

3295 (iii) under a package agency agreement with the department, subject to Chapter 2, Part
3296 6, Package Agency.

3297 (b) A hotel licensee who sells, offers for sale, or furnishes an alcoholic product as
3298 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3299 (i) ~~[except as provided in Section 32B-8b-302;]~~ if on ~~[a sublicense]~~ sublicensed
3300 premises, in accordance with the operational requirements [under the provisions applicable to
3301 the sublicense] described in Section 32B-8d-104;

3302 (ii) if under a permit issued under this title, in accordance with the operational
3303 requirements under the provisions applicable to the permit; and

3304 (iii) if as a package agency, in accordance with the contract with the department and
3305 Chapter 2, Part 6, Package Agency.

3306 (c) Notwithstanding the other provisions of this Subsection (2), a hotel licensee may
3307 not permit a patron to carry an alcoholic product off the premises of a sublicense in violation of
3308 Section 32B-5-307 or off an area designated under a permit.

3309 ~~[(3) A hotel licensee shall comply with Subsections 32B-5-301(4) and (5) within the~~
3310 ~~boundary of the hotel.]~~

3311 ~~[(4)]~~ (3) A hotel licensee shall supervise and direct a person involved in the sale, offer

3312 for sale, or furnishing of an alcoholic product under a hotel license.

3313 ~~[(5)]~~ (4) (a) Room service of an alcoholic product to a lodging accommodation of a
3314 hotel licensee shall be provided in person by staff of ~~[a]~~ the hotel licensee only to an adult
3315 occupant in the lodging accommodation.

3316 (b) An alcoholic product may not be left outside a lodging accommodation for retrieval
3317 by an occupant.

3318 ~~[(6)]~~ (7) A hotel licensee shall operate in a manner so that at least 70% of the annual
3319 aggregate of the gross receipts related to the sale of food or beverages for the hotel license and
3320 each of the hotel license's sublicenses is from the sale of food, not including:

3321 (a) mix for an alcoholic product; and

3322 (b) a charge in connection with the service of an alcoholic product.

3323 Section 50. Section **32B-8b-401** is amended to read:

3324 **32B-8b-401. Enforcement of operational requirements for hotel license or**
3325 **sublicense.**

3326 ~~[(1)(a)]~~ (1) Failure by a person described in Subsection ~~[(1)(b)]~~ (2) to comply with this
3327 chapter or ~~[an operational requirement under a provision applicable to a sublicense]~~ Chapter
3328 8d, Sublicense Act, may result in disciplinary action in accordance with Chapter 3, Disciplinary
3329 Actions and Enforcement Act, against:

3330 ~~[(i)]~~ (a) ~~[a]~~ the hotel licensee;

3331 ~~[(ii)]~~ (b) individual staff of ~~[a]~~ the hotel licensee;

3332 ~~[(iii)]~~ (c) a sublicensee or person otherwise operating under a sublicense of the hotel
3333 licensee;

3334 ~~[(iv)]~~ (d) individual staff of a sublicensee or person otherwise operating under a
3335 sublicense of the hotel licensee; or

3336 ~~[(v)]~~ (e) any combination of the persons listed in this Subsection (1)~~[(a)]~~.

3337 ~~[(b)]~~ (2) ~~[This]~~ Subsection (1) applies to:

3338 ~~[(i)]~~ (a) a hotel licensee;

3339 ~~[(ii)]~~ (b) a sublicensee or person operating under a sublicense of a hotel licensee; or

3340 ~~[(iii)]~~ (c) staff of a hotel licensee or sublicensee or other person operating under a
3341 sublicense of a hotel licensee.

3342 ~~[(2) An operational requirement applicable to a person operating under a sublicense is~~

3343 ~~enforced as provided by the provisions applicable to the sublicense.]~~

3344 Section 51. Section **32B-8c-101** is enacted to read:

3345 **CHAPTER 8c. ARENA LICENSE ACT**

3346 **32B-8c-101. Title.**

3347 This chapter is known as the "Arena License Act."

3348 Section 52. Section **32B-8c-102** is enacted to read:

3349 **32B-8c-102. Definitions.**

3350 Reserved

3351 Section 53. Section **32B-8c-201** is enacted to read:

3352 **32B-8c-201. Commission's power to issue an arena license.**

3353 (1) Before a person as an arena under a single license may store, sell, offer for sale,
3354 furnish, or allow the consumption of an alcoholic product on sublicensed premises, the person
3355 shall first obtain an arena license from the commission in accordance with this part.

3356 (2) (a) Beginning November 1, 2020, the commission may issue to a person an arena
3357 license to allow the storage, sale, offer for sale, furnishing, and consumption of an alcoholic
3358 product in connection with the arena designated in the arena license, if the person operates at
3359 least three sublicenses under the arena license, including:

3360 (i) one of which is an on-premise banquet sublicense;

3361 (ii) one of which is:

3362 (A) a full-service restaurant sublicense;

3363 (B) a limited-service restaurant sublicense;

3364 (C) a beer-only restaurant sublicense; or

3365 (D) a bar establishment sublicense; and

3366 (iii) one of which is an on-premise beer retailer sublicense that is not a tavern.

3367 (b) An arena license shall:

3368 (i) consist of:

3369 (A) a general arena license; and

3370 (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

3371 (ii) designate the enclosed building that is the arena.

3372 (c) This chapter does not prohibit an alcoholic product in an arena to the extent

3373 otherwise permitted by this title.

3374 (3) The commission may not issue a total number of arena licenses that at any time
3375 totals more than 10.

3376 Section 54. Section **32B-8c-202** is enacted to read:

3377 **32B-8c-202. Specific licensing requirements for arena license.**

3378 (1) To obtain an arena license, in addition to complying with Chapter 5, Part 2, Retail
3379 Licensing Process, a person shall submit with the person's written application:

3380 (a) evidence:

3381 (i) of proximity of the arena to any community location;

3382 (ii) that each proposed sublicense premises is entirely within the arena; and

3383 (iii) that the building designated in the application as the arena qualifies as an arena;

3384 and

3385 (b) a description and map of the arena.

3386 (2) (a) An arena license expires on October 31 of each year.

3387 (b) To renew a person's arena license, the person shall comply with the requirements of
3388 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

3389 (3) (a) The nonrefundable application fee for an arena license is \$500.

3390 (b) The initial license fee for an arena license is calculated as follows:

3391 (i) if the person applies for three sublicenses under the arena license, \$5,000; or

3392 (ii) if the person applies for more than three sublicenses under the arena license, the
3393 sum of:

3394 (A) \$5,000; and

3395 (B) \$1,000 for each sublicense in excess of three sublicenses for which the person
3396 applies.

3397 (c) The renewal fee for an arena license is \$1,000 plus \$1,000 for each sublicense
3398 under the arena license.

3399 (4) (a) The bond amount required for an arena license is the penal sum of \$100,000.

3400 (b) An arena licensee is not required to have a separate bond for each sublicense,

3401 except that the aggregate of the bonds posted by the arena licensee shall cover each sublicense
3402 under the arena license.

3403 (5) In accordance with Subsection [32B-8d-103\(4\)](#), an arena may request to add a
3404 sublicense after the commission issues the arena licensee's arena license.

3405 Section 55. Section **32B-8c-301** is enacted to read:

3406 **32B-8c-301. Specific operational requirements for arena license.**

3407 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensing Operational
3408 Requirements, an arena licensee, staff of the arena licensee, and a sublicensee or person
3409 otherwise operating under a sublicense shall comply with this section.

3410 (b) Failure to comply as provided in Subjection (1)(a) may result in disciplinary action
3411 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3412 (i) the arena licensee;

3413 (ii) individual staff of the arena licensee;

3414 (iii) a sublicensee or person otherwise operating under a sublicense of the arena
3415 licensee;

3416 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense;

3417 or

3418 (v) any combination of the persons listed in Subsections (1)(b)(i) through (iv).

3419 (2) (a) An arena licensee may not sell, offer for sale, or furnish an alcoholic product
3420 except:

3421 (i) on sublicensed premises;

3422 (ii) pursuant to a permit issued under this title; or

3423 (iii) under a package agency agreement with the department, subject to Chapter 2, Part
3424 6, Package Agency.

3425 (b) An arena licensee who sells, offers for sale, or furnishes an alcoholic product as
3426 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3427 (i) if on sublicensed premises, in accordance with the operational requirements
3428 described in Section [32B-8d-104](#);

3429 (ii) if under a permit issued under this title, in accordance with the operational
3430 requirements under the provisions applicable to the permit; and

3431 (iii) if as a package agency, in accordance with the contract with the department and
3432 Chapter 2, Part 6, Package Agency.

3433 (3) An arena licensee shall operate in a manner so that at least 70% of the annual
3434 aggregate of the gross receipts related to the sale of food and beverages for the arena license
3435 and each of the arena license's sublicenses is from the sale of food, not including:

- 3436 (a) mix for an alcoholic product; and
- 3437 (b) a charge in connection with the service of an alcoholic product.
- 3438 (4) An arena licensee shall, directly or indirectly, supervise and direct a person
- 3439 involved in the sale, offer for sale, or furnishing of an alcoholic product under an arena license.

3440 Section 56. Section **32B-8c-401** is enacted to read:

3441 **32B-8c-401. Enforcement.**

3442 (1) Failure by a person described in Subsection (2) to comply with this chapter or

3443 Chapter 8d, Sublicense Act, may result in disciplinary action in accordance with Chapter 3,

3444 Disciplinary Actions and Enforcement Act, against:

- 3445 (a) the arena licensee;
- 3446 (b) individual staff of the arena licensee;
- 3447 (c) a sublicensee or a person otherwise operating under a sublicense of the arena
- 3448 licensee;
- 3449 (d) individual staff of a sublicensee or person otherwise operating under a sublicense of
- 3450 the arena licensee; or

3451 (e) any combination of the persons listed in Subsections (1)(a) through (d).

3452 (2) Subsection (1) applies to:

- 3453 (a) an arena licensee;
- 3454 (b) a sublicensee or person operating under a sublicense of an arena licensee;
- 3455 (c) staff of an arena licensee or sublicensee or other person operating under a
- 3456 sublicense of the arena licensee.

3457 Section 57. Section **32B-8d-101** is enacted to read:

3458 **CHAPTER 8d. SUBLICENSE ACT**

3459 **32B-8d-101. Title.**

3460 This chapter is known as the "Sublicense Act."

3461 Section 58. Section **32B-8d-102** is enacted to read:

3462 **32B-8d-102. Definitions.**

3463 As used in this chapter:

- 3464 (1) "Hospitality guest" means an individual:
- 3465 (a) (i) who is a resident;
- 3466 (ii) for whom an owner of a dwelling located within a resort building provides lodging

3467 accommodations;

3468 (iii) for whom a hotel licensee provides lodging accommodations; or

3469 (iv) for whom a resort licensee provides lodging accommodations; and

3470 (b) who is at least 21 years of age.

3471 (2) "Resident" means the same as that term is defined in Section [32B-8-102](#).

3472 (3) "Resort building" means the same as that term is defined in Section [32B-8-102](#).

3473 (4) "Resort spa" means a spa:

3474 (a) as the commission defines by rule made in accordance with Title 63G, Chapter 3,

3475 Utah Administrative Rulemaking Act; and

3476 (b) that is within the boundary of a resort building.

3477 Section 59. Section **32B-8d-103** is enacted to read:

3478 **32B-8d-103. Commission's power to issue a sublicense.**

3479 (1) Before a person as a sublicensee may store, sell, offer for sale, furnish, or allow the

3480 consumption of an alcoholic product on sublicensed premises, the person shall first obtain a

3481 sublicense from the commission in accordance with:

3482 (a) this chapter;

3483 (b) Chapter 8, Resort License Act;

3484 (c) Chapter 8b, Hotel License Act; and

3485 (d) Chapter 8c, Arena License Act.

3486 (2) (a) The commission may issue to a person a sublicense to allow the storage, sale,

3487 offering for sale, furnishing, or consumption of an alcoholic product on the premises of the

3488 sublicense, if the person is:

3489 (i) a principal licensee; or

3490 (ii) a person seeking a principal license, contingent on the issuance of the principal

3491 license.

3492 (b) The commission may not:

3493 (i) issue a sublicense that is separate from a principal license; or

3494 (ii) issue a single sublicense that covers more than one outlet in or on the boundaries of

3495 the principal licensee.

3496 (3) (a) Subject to Subsections (3)(b) and (c), when determining the total number of

3497 licenses the commission has issued for each type of retail license, the commission may not

3498 include a sublicense as one of the retail licenses issued under the provisions applicable to that
3499 sublicense.

3500 (b) If a principal license includes a bar establishment sublicense that before the
3501 issuance of the principal license was a bar establishment license, the commission shall include
3502 the bar establishment sublicense as a bar establishment license in calculating the total number
3503 of licenses issued under the provisions applicable to a bar establishment license.

3504 (c) If a resort license includes a sublicense that before the issuance of the resort license
3505 was a retail license, the commission shall include the sublicense as a license in calculating the
3506 total number of licenses issued under the provisions applicable to the sublicense.

3507 (4) If a principal licensee seeks to add a sublicense after the commission issues the
3508 person's principal license, the principal licensee shall file with the department:

3509 (a) a nonrefundable \$300 application fee;

3510 (b) an initial license fee of \$2,250, which the commission shall refund if the
3511 commission does not issue the proposed sublicense;

3512 (c) written consent of the local authority;

3513 (d) a copy of:

3514 (i) the principal licensee's current business; and

3515 (ii) the proposed sublicensee's current business license, if the relevant political
3516 subdivision determines that the proposed sublicensee's business license is separate from the
3517 principal licensee's business license;

3518 (e) evidence that the proposed sublicensed premises is entirely within the boundary of
3519 the principal license;

3520 (f) a description, floor plan, and boundary map of the proposed sublicensed premises
3521 designating:

3522 (i) each location at which the principal licensee proposes that an alcoholic product be
3523 stored; and

3524 (ii) each location from which the principal licensee proposes that an alcoholic product
3525 be sold, furnished, or consumed;

3526 (g) evidence that the principal licensee carries:

3527 (i) public liability insurance in an amount and form satisfactory to the department; and

3528 (ii) dramshop insurance coverage in the amount required by Section [32B-5-201](#) that

3529 covers the proposed sublicense;

3530 (h) a signed consent form stating that the principal licensee will permit any authorized
3531 representative of the commission or department, or any law enforcement officer, to have an
3532 unrestricted right to enter the proposed sublicensed premises;

3533 (i) if the principal licensee is an entity, proper verification evidencing that a person
3534 who signs the application is authorized to sign on behalf of the entity; and

3535 (j) any other information the commission or department may require.

3536 Section 60. Section **32B-8d-104** is enacted to read:

3537 **32B-8d-104. General operational requirements for a sublicense.**

3538 (1) Except as provided in Subsections (2) and (3), a person operating under a
3539 sublicense is subject to the operational requirements under the provisions applicable to the
3540 sublicense.

3541 (2) Notwithstanding a requirement in the provisions applicable to the sublicense, a
3542 person operating under the sublicense is not subject to a requirement that a certain percentage
3543 of the gross receipts for the sublicense be from the sale of food, except to the extent that the
3544 gross receipts for the sublicense are included in calculating the percentages under Subsections
3545 [32B-8-401\(3\)](#), [32B-8b-301\(7\)](#), and [32B-8c-301\(3\)](#).

3546 (3) Notwithstanding Sections [32B-6-202](#) and [32B-6-302](#), a bar structure in a
3547 sublicensed premises operated under a full-service restaurant sublicense or a limited-service
3548 restaurant sublicense is considered a grandfathered bar structure if the sublicense is a
3549 sublicense to a resort license issued on or before December 31, 2010.

3550 (4) Except as provided in Section [32B-8-502](#), for purposes of interpreting an
3551 operational requirement imposed by the provisions applicable to a sublicense:

3552 (a) a requirement imposed on a sublicensee or person operating under a sublicense
3553 applies to the principal licensee; and

3554 (b) a requirement imposed on staff of a sublicensee or person operating under a
3555 sublicense applies to staff of the principal licensee.

3556 Section 61. Section **32B-8d-105** is enacted to read:

3557 **32B-8d-105. Enforcement of operational requirements.**

3558 (1) Except as provided in Subsection [32B-8-502\(2\)](#) and in addition to Subsection (2),
3559 failure by a person to comply with this chapter or an operational requirement under a provision

3560 applicable to a sublicense may result in disciplinary action in accordance with Chapter 3,
3561 Disciplinary Actions and Enforcement Act, against:

- 3562 (a) a principal licensee;
- 3563 (b) individual staff of a principal licensee;
- 3564 (c) a sublicensee or person otherwise operating under a sublicense;
- 3565 (d) individual staff of a sublicensee or person otherwise operating under a sublicense;

3566 or

- 3567 (e) any combination of the persons listed in Subsections (1)(a) through (d).
- 3568 (2) An operational requirement applicable to a sublicensee or person operating under a
- 3569 sublicense is enforced as provided by the provisions applicable to the sublicense.

3570 Section 62. Section **32B-8d-201** is enacted to read:

Part 2. Resort Spa Sublicense

32B-8d-201. Title.

3573 This part is known as "Resort Spa Sublicense."

3574 Section 63. Section **32B-8d-202**, which is renumbered from Section 32B-8-301 is
3575 renumbered and amended to read:

3576 ~~[**32B-8-301**].~~ **32B-8d-202. Commission's power to issue resort spa**
3577 **sublicense.**

3578 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
3579 an alcoholic product on ~~[its]~~ the person's premises as a resort spa sublicensee, a resort licensee
3580 or a person applying for a resort license shall first obtain a resort spa sublicense from the
3581 commission in accordance with this part.

3582 (2) The commission may only issue a resort spa sublicense to ~~[establish a resort spa~~
3583 ~~license within the boundary of a resort building for the storage, sale, offer for sale, furnishing,~~
3584 ~~and consumption of liquor on premises operated as a resort spa.];~~

- 3585 (a) a resort licensee; or
- 3586 (b) a person applying for a resort license, contingent on the issuance of the resort
- 3587 license.

3588 (3) The resort spa sublicense premises shall fall entirely within the boundary of a resort
3589 building that is part of the resort to which the resort spa sublicense is connected.

3590 Section 64. Section **32B-8d-203**, which is renumbered from Section 32B-8-302 is

3591 renumbered and amended to read:

3592 ~~[32B-8-302].~~ 32B-8d-203. Specific licensing requirements for resort spa
3593 sublicense.

3594 (1) (a) [A] In accordance with Subsection 32B-8d-103(2), a person may not file a
3595 written application with the department to obtain a resort spa sublicense that is separate from
3596 the application of the resort license, unless the person seeks the resort spa sublicense [~~is being~~
3597 ~~sought~~] after the [~~issuing of~~] commission issues the person a resort license.

3598 [~~2~~] (b) If a resort licensee seeks to add a resort spa sublicense after its resort license is
3599 issued, the resort licensee shall comply with Subsection [~~32B-8-204(3)(b)~~] 32B-8d-103(4).

3600 [~~3~~] (2) (a) A resort spa sublicense expires on October 31 of each year.

3601 (b) A resort licensee desiring to renew the resort licensee's resort spa sublicense shall
3602 renew the resort spa sublicense as part of renewing the resort license.

3603 (c) Failure to meet the renewal requirements for a resort license results in an automatic
3604 forfeiture of the resort spa sublicense effective on the date the resort license expires.

3605 Section 65. Section **32B-8d-204**, which is renumbered from Section 32B-8-303 is
3606 renumbered and amended to read:

3607 ~~[32B-8-303].~~ 32B-8d-204. Specific qualifications for resort spa sublicense.

3608 (1) A person employed to act in a supervisory or managerial capacity for the resort spa
3609 sublicense is subject to qualification requirements of Section [~~32B-8-203~~] 32B-1-304 for
3610 licensees.

3611 (2) If a person no longer possesses the qualifications required by Section [~~32B-8-203~~]
3612 32B-1-304 for obtaining the resort license or resort spa sublicense, the commission may
3613 suspend or revoke the resort spa sublicense that is part of the resort license.

3614 Section 66. Section **32B-8d-205**, which is renumbered from Section 32B-8-304 is
3615 renumbered and amended to read:

3616 ~~[32B-8-304].~~ 32B-8d-205. Specific operational requirements for resort spa
3617 sublicense.

3618 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
3619 Requirements, a resort licensee[;] and staff of the resort licensee[;] ~~or a person otherwise related~~
3620 ~~to a resort spa sublicense~~] shall comply with this section.

3621 (b) A resort spa sublicensee or a person otherwise operating under a resort spa

3622 sublicense and staff of a resort spa sublicensee or a person otherwise operating under a resort
3623 spa sublicense shall comply with:

3624 (i) Chapter 5, Part 3, Retail Licensee Operational Requirements as if the resort spa
3625 sublicensee is a retail licensee, unless a provision conflicts with this chapter; and

3626 (ii) this chapter.

3627 ~~[(b)]~~ (c) Subject to Section 32B-8-502, failure to comply as provided in Subsection
3628 (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and
3629 Enforcement Act, against:

3630 (i) a ~~[retail]~~ resort licensee;

3631 (ii) staff of the ~~[retail]~~ resort licensee;

3632 (iii) a resort spa sublicensee or person otherwise [related to] operating under a resort
3633 spa sublicense; [or]

3634 (iv) individual staff of a resort spa sublicensee or person otherwise operating under a
3635 resort spa sublicense; or

3636 ~~[(iv)]~~ (v) any combination of the persons listed in ~~[this Subsection (1)(b)]~~ Subsections
3637 (1)(c)(i) through (iv).

3638 (2) (a) For purposes of the resort spa sublicense, the resort licensee shall ensure that ~~[a~~
3639 ~~record required by this title is maintained, and]~~ a record is maintained or used for the resort spa
3640 sublicense:

3641 (i) as the department requires; and

3642 (ii) for a minimum period of three years.

3643 (b) A resort spa sublicensee record is subject to inspection by an authorized
3644 representative of the commission and the department.

3645 (c) A resort licensee shall allow the department, through ~~[an auditor or examiner]~~ a
3646 compliance officer of the department, to audit the records for a resort spa sublicense at the
3647 times the department considers advisable.

3648 (d) The department shall audit the records for a resort spa sublicense at least once
3649 annually.

3650 (e) Section 32B-1-205 applies to a record required to be made, maintained, or used in
3651 accordance with this Subsection (2).

3652 (3) (a) A resort spa sublicensee or person operating under a resort spa sublicense may

3653 not sell, offer for sale, or furnish liquor at a resort spa during a period that:

3654 (i) begins at 1 a.m.; and

3655 (ii) ends at 9:59 a.m.

3656 (b) A resort spa sublicensee or person operating under a resort spa sublicense may sell,
3657 offer for sale, or furnish beer during the hours specified in Chapter 6, Part 7, On-Premise Beer
3658 Retailer License, for an on-premise beer retailer.

3659 (c) (i) Notwithstanding Subsections (3)(a) and (b), a resort spa shall remain open for
3660 one hour after the resort spa ceases the sale and furnishing of an alcoholic product during
3661 which time a person at the resort spa may finish consuming:

3662 (A) a single drink containing spirituous liquor;

3663 (B) a single serving of wine not exceeding five ounces;

3664 (C) a single serving of heavy beer;

3665 (D) a single serving of beer not exceeding 26 ounces; or

3666 (E) a single serving of a flavored malt beverage.

3667 (ii) A resort spa is not required to remain open:

3668 (A) after all [~~persons~~] individuals have vacated the resort spa [~~sublicense~~] sublicensee's
3669 sublicensed premises; or

3670 (B) during an emergency.

3671 (4) (a) A minor may not be admitted into, use, or be on [~~-(a)~~] the [~~sublicense~~]
3672 sublicensed premises of a resort spa sublicense unless accompanied by [~~a person~~] an individual
3673 21 years of age or older [~~;-or~~].

3674 (b) A minor permitted under Subsection (4)(a) to be admitted into, use, or be on the
3675 sublicensed premises of a resort spa sublicense:

3676 [~~(b)~~] (i) may only be admitted into or be on a lounge or bar area of the resort spa
3677 [~~sublicense~~] sublicensee's sublicensed premises [~~-~~] momentarily while en route to another area
3678 of the resort spa; and

3679 (ii) may not remain or sit in the lounge or bar area of the resort spa sublicensee's
3680 sublicensed premises.

3681 (5) A resort spa sublicensee shall have food available at all times when an alcoholic
3682 product is sold, offered for sale, furnished, or consumed on the resort spa [~~sublicense~~]
3683 sublicensee's sublicensed premises.

3684 (6) (a) Subject to the other provisions of this Subsection (6), a patron may not have
3685 more than two alcoholic products of any kind at a time before the patron.

3686 (b) A resort spa patron may not have two spirituous liquor drinks before the resort spa
3687 patron if one of the spirituous liquor drinks consists only of the primary spirituous liquor for
3688 the other spirituous liquor drink.

3689 (c) An individual portion of wine is considered to be one alcoholic product under this
3690 Subsection (6).

3691 (7) (a) An alcoholic product may only be consumed at a table or counter.

3692 (b) An alcoholic product may not be served to or consumed by a patron at a dispensing
3693 structure.

3694 (8) (a) A resort spa sublicensee or person operating under a resort spa sublicense shall
3695 have available on the resort spa [~~sublicense~~] sublicense's sublicensed premises for a patron to
3696 review at the time that the patron requests it, a written alcoholic product price list or a menu
3697 containing the price of an alcoholic product sold or furnished by the resort spa sublicensee
3698 including:

3699 (i) a set-up charge;

3700 (ii) a service charge; or

3701 (iii) a chilling fee.

3702 (b) A charge or fee made in connection with the sale, service, or consumption of liquor
3703 may be stated in food or alcoholic product menus including:

3704 (i) a set-up charge;

3705 (ii) a service charge; or

3706 (iii) a chilling fee.

3707 (9) (a) A resort licensee shall own or lease premises suitable for the resort [~~spa's~~] spa
3708 sublicense's activities.

3709 (b) A resort licensee may not maintain premises in a manner that barricades or conceals
3710 the resort spa sublicense's operation.

3711 (10) Subject to the other provisions of this section, a resort spa sublicensee or person
3712 operating under a resort spa sublicense may not sell an alcoholic product to or allow [~~a person~~]
3713 an individual to be admitted to or use the resort spa [~~sublicense~~] sublicensee's sublicensed
3714 premises other than:

3715 (a) a resident; or

3716 (b) a customer.

3717 ~~[(b) a public customer who holds a valid customer card issued under Subsection (12);~~

3718 ~~or]~~

3719 ~~[(c) an invitee.]~~

3720 ~~[(11) A person operating under a resort spa sublicense may allow an individual to be~~

3721 ~~admitted to or use the resort spa sublicense premises as an invitee subject to the following~~

3722 ~~conditions:]~~

3723 ~~[(a) the individual shall be previously authorized by one of the following who agrees to~~

3724 ~~host the individual as an invitee into the resort spa:]~~

3725 ~~[(i) a resident; or]~~

3726 ~~[(ii) a public customer as described in Subsection (10);]~~

3727 ~~[(b) the individual has only those privileges derived from the individual's host for the~~

3728 ~~duration of the invitee's visit to the resort spa; and]~~

3729 ~~[(c) a resort licensee, resort spa, or staff of the resort licensee or resort spa may not~~

3730 ~~enter into an agreement or arrangement with a resident or public customer to indiscriminately~~

3731 ~~host a member of the general public into the resort spa as an invitee.]~~

3732 ~~[(12) A person operating under a resort spa sublicense may issue a customer card to~~

3733 ~~allow an individual to enter and use the resort spa sublicense premises on a temporary basis~~

3734 ~~under the following conditions:]~~

3735 ~~[(a) the resort spa may not issue a customer card for a time period that exceeds three~~

3736 ~~weeks;]~~

3737 ~~[(b) the resort spa shall assess a fee to a public customer for a customer card;]~~

3738 ~~[(c) the resort spa may not issue a customer card to a minor; and]~~

3739 ~~[(d) a public customer may not host more than seven invitees at one time.]~~

3740 Section 67. Section **32B-8d-301** is enacted to read:

3741 **Part 3. Hospitality Amenity Sublicense**

3742 **32B-8d-301. Hospitality Amenity Sublicense.**

3743 This part is known as "Hospitality Amenity Sublicense."

3744 Section 68. Section **32B-8d-302** is enacted to read:

3745 **32B-8d-302. Commission's power to issue a hospitality amenity sublicense.**

3746 (1) Before a person may store, sell, offer for sale, furnish, or allow consumption of an
3747 alcoholic product on the person's premises as a hospitality amenity sublicensee, the person
3748 shall first obtain a hospitality amenity sublicense from the commission in accordance with this
3749 part.

3750 (2) Beginning November 1, 2020, the commission may issue to a person a hospitality
3751 amenity sublicense in accordance with this part.

3752 (3) The commission may only issue a hospitality amenity sublicense to:

3753 (a) a hotel licensee;

3754 (b) a resort licensee; or

3755 (c) a person applying for a hotel license or a resort license, contingent on the issuance
3756 of the hotel license or resort license.

3757 (4) A hospitality amenity sublicense's sublicensed premises shall fall entirely within the
3758 boundary of the hotel or resort to which the sublicense is connected.

3759 Section 69. Section **32B-8d-303** is enacted to read:

3760 **32B-8d-303. Specific licensing requirements for a hospitality amenity sublicense.**

3761 (1) In accordance with Subsection [38B-8d-103\(2\)](#), a person may not file a written
3762 application with the department to obtain a hospitality amenity sublicense that is separate from
3763 the person's application to obtain a hotel or resort license, unless the person seeks the
3764 hospitality amenity sublicense after the commission issues the person a hotel or resort license.

3765 (2) If a person seeks to add a hospitality amenity sublicense after the person obtains a
3766 hotel or resort license, the licensee shall comply with Subsection [32B-8d-103\(4\)](#).

3767 (3) (a) A hospitality amenity sublicense expires on October 31 of each year.

3768 (b) A licensee that seeks to renew the licensee's hospitality amenity sublicense shall
3769 renew the hospitality amenity sublicense as part of renewing the licensee's hotel or resort
3770 license.

3771 (c) Failure to meet the renewal requirements for a hotel or resort license results in an
3772 automatic forfeiture of the hospitality amenity sublicense effective on the date the hotel or
3773 resort license expires.

3774 Section 70. Section **32B-8d-304** is enacted to read:

3775 **32B-8d-304. Specific operational requirements for hospitality amenity sublicense.**

3776 (1) (a) In addition to complying with the provisions applicable to a retail licensee under

3777 Chapter 5, Part 3, Retail Licensee Operational Requirements, a hotel or resort licensee and staff
3778 of a hotel or resort licensee shall comply with this section.

3779 (b) A hospitality amenity sublicensee or a person otherwise operating under a
3780 hospitality amenity sublicense and staff of a hospitality amenity sublicensee or a person
3781 otherwise operating under a hospitality amenity sublicense shall comply with:

3782 (i) Chapter 5, Part 3, Retail Licensee Operational Requirements as if the hospitality
3783 amenity sublicensee is a retail licensee, unless a provision conflicts with this chapter; and

3784 (ii) this chapter.

3785 (c) As described in Section 32B-8b-401, failure to comply as provided in Subsection
3786 (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and
3787 Enforcement Act, against:

3788 (i) a hotel or resort licensee;

3789 (ii) individual staff of a hotel or resort licensee;

3790 (iii) a hospitality amenity sublicensee or person otherwise operating under a hospitality
3791 amenity sublicense;

3792 (iv) individual staff of a hospitality amenity sublicensee or person otherwise operating
3793 under a hospitality amenity sublicense; or

3794 (v) any combination of the persons listed in Subsections (1)(c)(i) through (iv).

3795 (2) (a) Subject to the provisions of this section, a hospitality amenity sublicensee may
3796 sell, offer for sale, or furnish an alcoholic product:

3797 (i) to a hospitality guest; and

3798 (ii) for consumption on the hospitality amenity sublicensee's sublicensed premises.

3799 (b) (i) A hospitality amenity sublicensee may sell, offer for sale, or furnish an alcoholic
3800 product that is not spirituous liquor in or on sublicensed premises:

3801 (A) physically separated from an area to which a hospitality guest or the public has
3802 access by a permanent or temporary structure or barrier; or

3803 (B) described in Subsection (2)(b)(ii).

3804 (ii) A hospitality amenity sublicensee may sell, offer for sale, or furnish spirituous
3805 liquor in or on sublicensed premises that:

3806 (A) allows access only through the use of a key or code; and

3807 (B) fills the entirety of a physically and permanently enclosed area within the

3808 boundaries of the hotel or resort.

3809 (c) Spirituous liquor may not be in or on the sublicensed premises of a hospitality
3810 amenity sublicensee as described in Subsection (2)(b)(i)(A), except for use:

3811 (i) as a flavoring on a dessert; or

3812 (ii) in the preparation of a flaming food dish or dessert.

3813 (d) A hospitality amenity sublicensee may not allow self-service of an alcoholic
3814 product in or on the hospitality amenity sublicensee's sublicensed premises.

3815 (3) (a) Subject to Subsections (3)(b) and (c), a hospitality guest may not have more
3816 than two alcoholic products of any kind at a time before the hospitality guest.

3817 (b) A hospitality guest may not have more than one spirituous liquor drink at a time
3818 before the hospitality guest.

3819 (c) An individual portion of wine is considered to be one alcoholic product under
3820 Subsection (7)(a).

3821 (4) A hospitality amenity sublicensee shall make food available at all times that the
3822 sublicensee sells, offers for sale, furnishes, or allows the consumption of an alcoholic product
3823 on the sublicensed premises.

3824 (5) (a) A hospitality amenity sublicensee may not sell, offer for sale, or furnish an
3825 alcoholic product any day during a period that:

3826 (i) begins at 1:00 a.m.; and

3827 (ii) ends at 9:59 a.m.

3828 (b) A hospitality amenity sublicensee shall remain open for one hour after the
3829 sublicensee ceases to sell and furnish an alcoholic product, during which time a hospitality
3830 guest at the hospitality amenity may finish consuming:

3831 (i) a single drink containing spirituous liquor;

3832 (ii) a single serving of wine not exceeding five ounces;

3833 (iii) a single serving of heavy beer;

3834 (iv) a single serving of beer not exceeding 26 ounces; or

3835 (v) a single serving of a flavored malt beverage.

3836 (c) A hospitality amenity sublicensee is not required to remain open:

3837 (i) after all individuals have vacated the sublicensee's sublicensed premises; or

3838 (ii) during an emergency.

3839 (6) (a) Notwithstanding Section 32B-5-305, a hospitality amenity sublicensee may
3840 provide a hospitality guest an alcoholic product that is not a spirituous liquor free of charge or
3841 at a reduced rate, if the sublicensee offers the alcoholic product:

3842 (i) to all hospitality guests free of charge or at the reduced rate;

3843 (ii) during a specific time; and

3844 (iii) on the sublicensee's sublicensed premises.

3845 (b) Before a hospitality amenity sublicensee provides an alcoholic product free of
3846 charge or at a reduced rate as described in Subsection (6)(a), the sublicensee shall provide the
3847 department with advance notice, in accordance with commission rules that permit a sublicensee
3848 to provide a single notice for a reoccurring event or multiple events.

3849 (7) A hospitality amenity sublicensee may permit a hospitality guest to purchase an
3850 alcoholic product through a charge to the hospitality guest's lodging accommodations.

3851 (8) (a) A hospitality guest, or a person other than the hospitality amenity sublicensee or
3852 staff of the hospitality amenity sublicensee, may not remove an alcoholic product from the
3853 hospitality amenity sublicensee's sublicensed premises.

3854 (b) Notwithstanding Subsection 32B-5-307(3), a hospitality guest may not bring an
3855 alcoholic product onto or into the hospitality amenity sublicensee's sublicensed premises.

3856 (9) A hospitality amenity sublicensee shall display at each entrance to the sublicensee's
3857 sublicensed premises a conspicuous sign that:

3858 (a) measures at least 8-1/2 inches long and 11 inches wide; and

3859 (b) clearly states that entry is limited to individuals who are hospitality guests as
3860 defined in this chapter.

3861 (10) A hospitality amenity sublicensee may not permit a minor to enter the
3862 sublicensee's sublicensed premises at any time during which an alcoholic product is sold,
3863 offered for sale, furnished, or consumed, unless the minor is accompanied at all times on the
3864 sublicensed premises by a hospitality guest.

3865 (11) A staff person of a hospitality amenity sublicensee shall remain on the sublicensed
3866 premises at all times when an alcoholic product is sold, offered for sale, furnished, or
3867 consumed on the sublicensed premises.

3868 (12) A hospitality amenity sublicensee may transfer an alcoholic product to or from
3869 another sublicense within the boundaries of the hotel or resort, if:

3870 (a) the hospitality amenity sublicense and each sublicensee involved in the transfer
3871 tracks the transfer of the alcoholic product; and

3872 (b) the alcoholic product is in an unopened container.

3873 (13) (a) For purposes of the hospitality amenity sublicense, the hotel or resort licensee
3874 shall ensure that a record required under this title is maintained and used for the hospitality
3875 amenity sublicense:

3876 (i) as the department requires; and

3877 (ii) for a minimum period of three years.

3878 (b) An authorized representative of the commission or the department may inspect a
3879 record described in this Subsection (13).

3880 (c) A hotel or resort licensee shall allow the department, through a compliance officer
3881 of the department, to audit the records for a hospitality amenity sublicense at the times the
3882 department considers advisable.

3883 (d) The department shall audit the records for a hospitality amenity sublicense at least
3884 once annually.

3885 (e) Section 32B-1-205 applies to a record required to be made, maintained, or used in
3886 accordance with this Subsection (13).

3887 Section 71. Section **32B-9-201** is amended to read:

3888 **32B-9-201. Application requirements for event permit.**

3889 (1) To obtain an event permit, a person shall submit to the department:

3890 (a) a written application in a form that the department prescribes;

3891 (b) an event permit fee:

3892 (i) in the amount specified in the relevant part under this chapter for the type of event
3893 permit for which the person is applying; and

3894 (ii) that is refundable if an event permit is not issued;

3895 (c) written consent of the local authority;

3896 (d) a bond as specified by Section 32B-9-203;

3897 (e) the times, dates, location, estimated attendance, nature, and purpose of the event;

3898 (f) a description or floor plan designating:

3899 (i) the area in which the person proposes that an alcoholic product be stored;

3900 (ii) the site from which the person proposes that an alcoholic product be sold, offered

3901 for sale, or furnished; and

3902 (iii) the area in which the person proposes that an alcoholic product be allowed to be
3903 consumed;

3904 (g) a signed consent form stating that the event permittee will permit any authorized
3905 representative of the commission, department, or any law enforcement officer to have
3906 unrestricted right to enter the premises during the event;

3907 (h) if the person is an entity, proper verification evidencing that a person who signs the
3908 application is authorized to sign on behalf of the entity; and

3909 (i) any other information as the commission or department may require.

3910 (2) If a person substantially changes the person's application under Subsection (1) after
3911 the person initially submits the application, the person shall pay to the department a fee:

3912 (a) in an amount the department prescribes in accordance with Section [63J-1-504](#); and

3913 (b) that is nonrefundable, regardless of whether the department issues an event permit.

3914 ~~[(2)]~~ (3) An entity applying for a permit need not meet the requirements of Subsections
3915 (1)(b), (c), and (d) if the entity is:

3916 (a) a state agency; or

3917 (b) a political subdivision of the state.

3918 ~~[(3)]~~ (4) The director may not issue an event permit to a person who is disqualified
3919 under Section [32B-1-304](#).

3920 ~~[(4)]~~ (5) (a) The proximity requirements of Section [32B-1-202](#) do not apply to an event
3921 permit.

3922 (b) Notwithstanding Subsection ~~[(4)]~~ (5)(a), nothing in this section prevents the
3923 director, the Compliance, Licensing, and Enforcement Subcommittee, or the commission from
3924 considering the proximity of an educational, religious, or recreational facility, or any other
3925 relevant factor in deciding whether to issue an event permit.

3926 Section 72. Section **32B-10-206** is amended to read:

3927 **32B-10-206. General operational requirements for special use permit.**

3928 (1) (a) A special use permittee and staff of the special use permittee shall comply with
3929 this title and rules of the commission, including the relevant part of the chapter that applies to
3930 the type of special use permit held by the special use permittee.

3931 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action

3932 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3933 (i) a special use permittee;

3934 (ii) individual staff of a special use permittee; or

3935 (iii) a special use permittee and staff of the special use permittee.

3936 (c) The commission may suspend or revoke a special use permit with or without cause.

3937 (2) (a) If there is a conflict between this part and the relevant part under this chapter for
3938 the specific type of special use permit, the relevant part under this chapter governs.

3939 (b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," a
3940 special use permittee may only purchase, use, store, sell, offer for sale, allow consumption, or
3941 manufacture an alcoholic product authorized for the special use permit that is held by the
3942 special use permittee.

3943 (c) Notwithstanding that this part or the relevant part under this chapter for the type of
3944 special use permit held by a special use permittee refers to "special use permittee," a person
3945 involved in the purchase, use, store, sell, offer for sale, allow consumption, or manufacture of
3946 an alcoholic product for which the special use permit is issued is subject to the same
3947 requirement or prohibition.

3948 (3) (a) A special use permittee shall make and maintain a record, as required by
3949 commission rule, of any alcoholic product purchased, used, sold, or manufactured.

3950 (b) Section [32B-1-205](#) applies to a record required to be made or maintained in
3951 accordance with this Subsection (3).

3952 (4) (a) Except as otherwise provided in this title, a special use permittee may not
3953 purchase liquor except from a state store or package agency.

3954 (b) A special use permittee may transport liquor purchased by the special use permittee
3955 in accordance with this Subsection (4) from the place of purchase to the special use permittee's
3956 premises.

3957 (c) A special use permittee shall purchase liquor at prices set by the commission.

3958 (d) When authorized by a special use permit, a special use permittee may purchase and
3959 receive an alcoholic product directly from a manufacturer for a purpose that is industrial,
3960 educational, scientific, or manufacturing.

3961 (e) A health care facility may purchase and receive an alcoholic product directly from a
3962 manufacturer for use at the health care facility.

3963 (5) A special use permittee may not use, mix, store, sell, offer for sale, furnish,
3964 manufacture, or allow consumption of an alcoholic product in a location other than as
3965 designated in a special use permittee's application.

3966 (6) Except as otherwise provided, a special use permittee may not sell, offer for sale, or
3967 furnish an alcoholic product to:

3968 (a) a minor;

3969 (b) a person actually, apparently, or obviously intoxicated;

3970 (c) a known interdicted person; or

3971 (d) a known habitual drunkard.

3972 (7) A special use permittee may not employ a minor to handle an alcoholic product.

3973 (8) (a) The location specified in a special use permit may not be transferred from one
3974 location to another location, [~~without prior written approval of the commission~~], except as
3975 provided in Chapter 8a, Transfer of Alcohol License Act.

3976 (b) A special use permittee may not sell, transfer, assign, exchange, barter, give, or
3977 attempt in any way to dispose of the permit to another person whether for monetary gain or not,
3978 except as provided in Chapter 8a, Transfer of Alcohol License Act.

3979 (9) A special use permittee may not purchase, use, mix, store, sell, offer for sale,
3980 furnish, consume, or manufacture an alcoholic product for a purpose other than that authorized
3981 by the special use permit.

3982 (10) The commission may prescribe by policy or rule consistent with this title, the
3983 general operational requirements of a special use permittee relating to:

3984 (a) physical facilities;

3985 (b) conditions of purchase, use, storage, sale, consumption, or manufacture of an
3986 alcoholic product;

3987 (c) purchase, storage, and sales quantity limitations; and

3988 (d) other matters considered appropriate by the commission.

3989 Section 73. Section **32B-11-208** is amended to read:

3990 **32B-11-208. General operational requirements for manufacturing license.**

3991 (1) (a) A manufacturing licensee and staff of the manufacturing licensee shall comply
3992 with this title and the rules of the commission, including the relevant part of this chapter
3993 applicable to the type of manufacturing license held by the manufacturing licensee.

3994 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3995 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3996 (i) a manufacturing licensee;

3997 (ii) individual staff of a manufacturing licensee; or

3998 (iii) a manufacturing licensee and staff of the manufacturing licensee.

3999 (2) A manufacturing licensee shall prominently display the manufacturing license on
4000 the licensed premises.

4001 (3) (a) A manufacturing licensee shall make and maintain the records required by the
4002 department.

4003 (b) Section 32B-1-205 applies to a record required to be made or maintained in
4004 accordance with this Subsection (3).

4005 (4) A manufacturing licensee may not sell liquor within the state except to:

4006 (a) the department; or

4007 (b) a military installation.

4008 (5) A manufacturing license may not be transferred from one location to another
4009 location, [~~without prior written approval of the commission~~] except as provided in Chapter 8a,
4010 Transfer of Alcohol License Act.

4011 (6) (a) A manufacturing licensee may not sell, transfer, assign, exchange, barter, give,
4012 or attempt in any way to dispose of the license to another person, whether for monetary gain or
4013 not, except as provided in Chapter 8a, Transfer of Alcohol License Act.

4014 (b) A manufacturing license has no monetary value for any type of disposition.

4015 (7) A manufacturing licensee may not advertise [~~its~~] the manufacturing licensee's
4016 product in violation of this title or any other federal or state law, except that nothing in this title
4017 prohibits the advertising or solicitation of an order for industrial alcohol from a holder of a
4018 special use permit.

4019 (8) A manufacturing licensee shall from time to time, on request of the department,
4020 furnish for analytical purposes a sample of the alcoholic product that the manufacturing
4021 licensee has:

4022 (a) for sale; or

4023 (b) in the course of manufacture for sale in this state.

4024 (9) The commission may prescribe by policy or rule, consistent with this title, the

4025 general operational requirements of a manufacturing licensee relating to:

4026 (a) physical facilities;

4027 (b) conditions of storage, sale, or manufacture of an alcoholic product;

4028 (c) storage and sales quantity limitations; and

4029 (d) other matters considered appropriate by the commission.

4030 Section 74. Section **32B-11-403** is amended to read:

4031 **32B-11-403. Specific authority and operational requirements for distillery**

4032 **manufacturing license.**

4033 (1) A distillery manufacturing license allows a distillery manufacturing licensee to:

4034 (a) store, manufacture, transport, import, or export liquor;

4035 (b) sell liquor to:

4036 (i) the department;

4037 (ii) an out-of-state customer; and

4038 (iii) as provided in Subsection (2);

4039 (c) purchase an alcoholic product for mixing and manufacturing purposes if the

4040 department is notified of:

4041 (i) the purchase; and

4042 (ii) the date of delivery; ~~and~~

4043 (d) warehouse on ~~its~~ the distillery manufacturing licensee's licensed premises an

4044 alcoholic product that the distillery manufacturing licensee manufactures or purchases for

4045 manufacturing purposes~~[-]~~;

4046 (e) if the distillery manufacturing licensee holds two or more distillery manufacturing

4047 licenses under this chapter, transport an alcoholic product from one of the distillery

4048 manufacturing licensee's licensed premises to another, if the transportation occurs for the

4049 purpose of:

4050 (i) continuing or completing the manufacturing process; or

4051 (ii) storing a bulk container or an alcoholic product that is distilled and packaged in the

4052 state, including the transport of an alcoholic product to a package store agency located at any of

4053 the distillery manufacturing licensee's licensed premises; and

4054 (f) receive samples of an alcoholic product from a person outside the state for the sole

4055 purpose of performing tests and analysis, if the distillery manufacturing licensee:

4056 (i) performs the tests and analysis in accordance with 27 C.F.R. Secs. 19.434(a), (c),
4057 (d), (e), and (f), Secs. 19.435 through 19.437, and Sec. 19.616;

4058 (ii) keeps records of the samples received, including:

4059 (A) all data required under 27.C.F.R. Sec. 19.616;

4060 (B) a description of the sample; and

4061 (C) the date the distillery manufacturing licensee receives the sample; and

4062 (iii) upon request, provides the records described in Subsection (1)(f)(ii) to the
4063 department.

4064 (2) (a) Subject to the other provisions of this Subsection (2), a distillery manufacturing
4065 licensee may directly sell an alcoholic product to a person engaged within the state in:

4066 (i) a mechanical or industrial business that requires the use of an alcoholic product; or

4067 (ii) scientific pursuits that require the use of an alcoholic product.

4068 (b) A person who purchases an alcoholic product under Subsection (2)(a) shall hold a
4069 valid special use permit issued in accordance with Chapter 10, Special Use Permit Act,
4070 authorizing the use of the alcoholic product.

4071 (c) A distillery manufacturing licensee may sell to a special use permittee described in
4072 Subsection (2)(b) an alcoholic product only in the type for which the special use permit
4073 provides.

4074 (d) The sale of an alcoholic product under this Subsection (2) is subject to rules
4075 prescribed by the department and the federal government.

4076 (3) The federal definitions, standards of identity and quality, and labeling requirements
4077 for distilled liquor, in the regulations issued under Federal Alcohol Administration Act, 27
4078 U.S.C. Sec. 201 et seq., are adopted to the extent the regulations are not contrary to or
4079 inconsistent with laws of this state.

4080 (4) If considered necessary, the commission or department may require:

4081 (a) the alteration of the plant, equipment, or licensed premises;

4082 (b) the alteration or removal of unsuitable alcoholic product-making equipment or
4083 material;

4084 (c) a distillery manufacturing licensee to clean, disinfect, ventilate, or otherwise
4085 improve the sanitary and working conditions of the plant, licensed premises, and equipment; or

4086 (d) that a record pertaining to the materials and ingredients used in the manufacture of

4087 an alcoholic product be made available to the commission or department upon request.

4088 (5) A distillery manufacturing licensee may not permit an alcoholic product to be
4089 consumed on ~~[its]~~ the distillery manufacturing licensee's premises, except that:

4090 (a) a distillery manufacturing licensee may allow ~~[its]~~ the distillery manufacturing
4091 licensee's on-duty staff to taste on the licensed premises an alcoholic product that the distillery
4092 manufacturing licensee manufactures on ~~[its]~~ the distillery manufacturing licensee's licensed
4093 premises without charge, but only in connection with the on-duty staff's duties of
4094 manufacturing the alcoholic product during the manufacturing process and not otherwise;

4095 (b) a distillery manufacturing licensee may allow a person who can lawfully purchase
4096 an alcoholic product for wholesale or retail distribution to consume a bona fide sample of the
4097 distillery manufacturing licensee's product on the licensed premises; and

4098 (c) a distillery manufacturing licensee may conduct tastings as provided in Section
4099 [32B-11-210](#).

4100 ~~Ĥ → [Section 75. Section 41-6a-531 is enacted to read:~~

4101 ~~—— 41-6a-531. Recording of alcohol source.~~

4102 ~~—— A peace officer who arrests the operator of a vehicle for violating a provision of this~~
4103 ~~title by driving under the influence of alcohol shall:~~

4104 ~~—— (1) ask the operator where the operator obtained the alcoholic beverage the operator~~
4105 ~~consumed before driving; and~~

4106 ~~—— (2) record information provided under Subsection (1) in the officer's incident report.] ← Ĥ~~

4107 Section 76. Section [63I-2-232](#) is amended to read:

4108 **[63I-2-232](#). Repeal dates -- Title 32B.**

4109 (1) Subsection [32B-1-102](#)~~[(7)]~~(9) is repealed July 1, 2022.

4110 ~~[(2) Section [32B-1-207.1](#) is repealed November 1, 2019.]~~

4111 ~~[(3)]~~ (2) Subsection [32B-1-407](#)(3)(d) is repealed July 1, 2022.

4112 ~~[(4)]~~ (3) Section [32B-2-211.1](#) is repealed November 1, 2020.

4113 ~~[(5)]~~ (4) Subsections [32B-6-202](#)(3) and (4) are repealed July 1, 2022.

4114 ~~[(6)]~~ (5) Section [32B-6-205](#) is repealed July 1, 2022.

4115 ~~[(7)]~~ (6) Subsection [32B-6-205.2](#)(14) is repealed July 1, 2022.

4116 ~~[(8)]~~ (7) Section [32B-6-205.3](#) is repealed July 1, 2022.

4117 ~~[(9)]~~ (8) Subsections [32B-6-302](#)(3) and (4) are repealed July 1, 2022.

- 4118 [~~(10)~~] (9) Section [32B-6-305](#) is repealed July 1, 2022.
- 4119 [~~(11)~~] (10) Subsection [32B-6-305.2](#)(14) is repealed July 1, 2022.
- 4120 [~~(12)~~] (11) Section [32B-6-305.3](#) is repealed July 1, 2022.
- 4121 [~~(13)~~] (12) Section [32B-6-404.1](#) is repealed July 1, 2022.
- 4122 [~~(14)~~] (13) Section [32B-6-409](#) is repealed July 1, 2022.
- 4123 [~~(15)~~] (14) Subsection [32B-6-703](#)(2)(e)(iv) is repealed July 1, 2022.
- 4124 [~~(16)~~] (15) Subsections [32B-6-902](#)(1)(c), (1)(d), and (2) are repealed July 1, 2022.
- 4125 [~~(17)~~] (16) Section [32B-6-905](#) is repealed July 1, 2022.
- 4126 [~~(18)~~] (17) Subsection [32B-6-905.1](#)(15) is repealed July 1, 2022.
- 4127 [~~(19)~~] (18) Section [32B-6-905.2](#) is repealed July 1, 2022.
- 4128 [~~(20) Subsection [32B-8-402](#)(1)(b) is repealed July 1, 2022.~~]
- 4129 (19) Subsection [32B-8d-104](#)(3) is repealed July 1, 2022.
- 4130 Section 77. **Repealer.**
- 4131 This bill repeals:
- 4132 Section [32B-8-203](#), **Specific qualifications for resort license.**
- 4133 Section [32B-8-204](#), **Commission and department duties before issuing resort**
- 4134 **license.**
- 4135 Section [32B-8-402](#), **Specific operational requirements for a sublicense.**
- 4136 Section [32B-8-503](#), **Enforcement of Nuisance Retail Licensee Act.**
- 4137 Section [32B-8b-203](#), **Qualifications for hotel license and sublicense.**
- 4138 Section [32B-8b-204](#), **Commission and department duties before issuing hotel**
- 4139 **license.**
- 4140 Section [32B-8b-302](#), **Specific operational requirements for a sublicense.**
- 4141 Section [32B-8b-402](#), **Enforcement of Nuisance Retail Licensee Act.**