

**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;
- ▶ amends label and packaging requirements for beer;
- ▶ 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;
- ▶ amends the definition of "small brewer" with regard to markups;
- ▶ 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



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

59 **Money Appropriated in this Bill:**

60 None

61 **Other Special Clauses:**

62 This bill provides a special effective date.

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-1-604**, as last amended by Laws of Utah 2017, Chapter 455

72 **32B-1-607**, as last amended by Laws of Utah 2019, Chapter 403

73 **32B-2-202**, as last amended by Laws of Utah 2019, Chapter 403

74 **32B-2-304**, as last amended by Laws of Utah 2019, Chapter 403

75 **32B-2-605**, as last amended by Laws of Utah 2019, Chapter 403

76 **32B-3-202**, as enacted by Laws of Utah 2010, Chapter 276

77 **32B-3-204**, as last amended by Laws of Utah 2012, Chapter 365

78 **32B-4-415**, as last amended by Laws of Utah 2018, Chapter 249

79 **32B-4-422**, as last amended by Laws of Utah 2011, Chapter 307

80 **32B-5-201**, as last amended by Laws of Utah 2017, Chapter 455

81 **32B-5-202**, as last amended by Laws of Utah 2018, Chapter 249

82 **32B-5-203**, as enacted by Laws of Utah 2010, Chapter 276

83 **32B-5-204**, as enacted by Laws of Utah 2010, Chapter 276

84 **32B-5-207**, as last amended by Laws of Utah 2019, Chapter 403

85 **32B-5-301**, as last amended by Laws of Utah 2019, Chapter 403

86 **32B-5-307**, as last amended by Laws of Utah 2018, Chapter 249

87 **32B-6-406**, as last amended by Laws of Utah 2018, Chapter 249

88 **32B-6-603**, as last amended by Laws of Utah 2019, Chapter 403

89 **32B-6-605**, as last amended by Laws of Utah 2019, Chapter 403

- 90            **32B-6-702**, as last amended by Laws of Utah 2019, Chapter 403
- 91            **32B-6-803**, as last amended by Laws of Utah 2019, Chapter 403
- 92            **32B-6-805**, as last amended by Laws of Utah 2019, Chapter 403
- 93            **32B-8-102**, as last amended by Laws of Utah 2017, Chapter 455
- 94            **32B-8-201**, as enacted by Laws of Utah 2010, Chapter 276
- 95            **32B-8-202**, as last amended by Laws of Utah 2011, Chapter 334
- 96            **32B-8-401**, as last amended by Laws of Utah 2011, Chapters 307 and 334
- 97            **32B-8-501**, as last amended by Laws of Utah 2019, Chapter 145
- 98            **32B-8-502**, as enacted by Laws of Utah 2010, Chapter 276
- 99            **32B-8a-101**, 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-102**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 102 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 103            **32B-8a-201**, as last amended by Laws of Utah 2013, Chapter 349 and further amended
- 104 by Revisor Instructions, Laws of Utah 2013, Chapter 349
- 105            **32B-8a-202**, as last amended by Laws of Utah 2018, Chapter 249
- 106            **32B-8a-203**, as last amended by Laws of Utah 2018, Chapter 249
- 107            **32B-8a-302**, as last amended by Laws of Utah 2017, Chapters 455, 471 and last
- 108 amended by Coordination Clause, Laws of Utah 2017, Chapter 471
- 109            **32B-8a-303**, as and further amended by Revisor Instructions, Laws of Utah 2013,
- 110 Chapter 349
- 111            **32B-8a-401**, as last amended by Laws of Utah 2016, Chapter 82
- 112            **32B-8a-402**, 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-404**, 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-501**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 117 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 118            **32B-8a-502**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 119 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 120            **32B-8b-102**, as last amended by Laws of Utah 2018, Chapter 249

- 121 **32B-8b-201**, as last amended by Laws of Utah 2017, Chapter 455
- 122 **32B-8b-202**, as enacted by Laws of Utah 2016, Chapter 80
- 123 **32B-8b-301**, as last amended by Laws of Utah 2018, Chapter 249
- 124 **32B-8b-401**, as enacted by Laws of Utah 2016, Chapter 80
- 125 **32B-9-201**, as last amended by Laws of Utah 2012, Chapter 365
- 126 **32B-10-206**, as enacted by Laws of Utah 2010, Chapter 276
- 127 **32B-11-208**, as enacted by Laws of Utah 2010, Chapter 276
- 128 **32B-11-403**, as last amended by Laws of Utah 2016, Chapter 266
- 129 **63I-2-232**, as last amended by Laws of Utah 2019, First Special Session, Chapter 2

130 ENACTS:

- 131 **32B-1-208**, Utah Code Annotated 1953
- 132 **32B-7-409**, Utah Code Annotated 1953
- 133 **32B-8c-101**, Utah Code Annotated 1953
- 134 **32B-8c-102**, Utah Code Annotated 1953
- 135 **32B-8c-201**, Utah Code Annotated 1953
- 136 **32B-8c-202**, Utah Code Annotated 1953
- 137 **32B-8c-301**, Utah Code Annotated 1953
- 138 **32B-8c-401**, Utah Code Annotated 1953
- 139 **32B-8d-101**, Utah Code Annotated 1953
- 140 **32B-8d-102**, Utah Code Annotated 1953
- 141 **32B-8d-103**, Utah Code Annotated 1953
- 142 **32B-8d-104**, Utah Code Annotated 1953
- 143 **32B-8d-105**, Utah Code Annotated 1953
- 144 **32B-8d-201**, Utah Code Annotated 1953
- 145 **32B-8d-301**, Utah Code Annotated 1953
- 146 **32B-8d-302**, Utah Code Annotated 1953
- 147 **32B-8d-303**, Utah Code Annotated 1953
- 148 **32B-8d-304**, Utah Code Annotated 1953
- 149 **41-6a-531**, Utah Code Annotated 1953

150 RENUMBERS AND AMENDS:

- 151 **32B-8d-202**, (Renumbered from 32B-8-301, as enacted by Laws of Utah 2010, Chapter

152 276)  
 153 **32B-8d-203**, (Renumbered from 32B-8-302, as enacted by Laws of Utah 2010, Chapter  
 154 276)  
 155 **32B-8d-204**, (Renumbered from 32B-8-303, as enacted by Laws of Utah 2010, Chapter  
 156 276)  
 157 **32B-8d-205**, (Renumbered from 32B-8-304, as last amended by Laws of Utah 2017,  
 158 Chapter 455)

159 REPEALS:

- 160 **32B-8-203**, as enacted by Laws of Utah 2010, Chapter 276
- 161 **32B-8-204**, as last amended by Laws of Utah 2011, Chapter 334
- 162 **32B-8-402**, as last amended by Laws of Utah 2011, Chapter 334
- 163 **32B-8-503**, as enacted by Laws of Utah 2010, Chapter 276
- 164 **32B-8b-203**, as enacted by Laws of Utah 2016, Chapter 80
- 165 **32B-8b-204**, as enacted by Laws of Utah 2016, Chapter 80
- 166 **32B-8b-302**, as last amended by Laws of Utah 2018, Chapter 249
- 167 **32B-8b-402**, as enacted by Laws of Utah 2016, Chapter 80

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

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

171 **32B-1-102. Definitions.**

172 As used in this title:

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

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

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

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

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

180 (a) beer; or

181 (b) liquor.

182 (4) (a) "Alcoholic product" means a product that:

- 183 (i) contains at least .5% of alcohol by volume; and  
184 (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other  
185 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol  
186 in an amount equal to or greater than .5% of alcohol by volume.
- 187 (b) "Alcoholic product" includes an alcoholic beverage.
- 188 (c) "Alcoholic product" does not include any of the following common items that  
189 otherwise come within the definition of an alcoholic product:
- 190 (i) except as provided in Subsection (4)(d), an extract;  
191 (ii) vinegar;  
192 (iii) preserved nonintoxicating cider;  
193 (iv) essence;  
194 (v) tincture;  
195 (vi) food preparation; or  
196 (vii) an over-the-counter medicine.
- 197 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation  
198 when it is used as a flavoring in the manufacturing of an alcoholic product.
- 199 (5) "Alcohol training and education seminar" means a seminar that is:  
200 (a) required by Chapter 1, Part 7, Alcohol Training and Education Act; and  
201 (b) described in Section [62A-15-401](#).
- 202 (6) "Arena" means an enclosed building:
- 203 (a) that is managed by:
- 204 (i) the same person who owns the enclosed building;  
205 (ii) a person who has a majority interest in each person who owns or manages a space  
206 in the enclosed building; or
- 207 (iii) a person who has authority to direct or exercise control over the management or  
208 policy of each person who owns or manages a space in the enclosed building;
- 209 (b) that operates as a venue; and  
210 (c) that has an occupancy capacity of at least 12,500.
- 211 (7) "Arena license" means a license issued in accordance with Chapter 5, Retail  
212 License Act, and Chapter 8c, Arena License Act.
- 213 ~~[(6)]~~ (8) "Banquet" means [a private] an event:

214 (a) that is a private event or a privately sponsored event;  
215 ~~[(a)]~~ (b) that is held at one or more designated locations approved by the commission  
216 in or on the premises of [a]:  
217 (i) a hotel;  
218 (ii) a resort facility;  
219 (iii) a sports center;  
220 (iv) a convention center; ~~[or]~~  
221 (v) a performing arts facility; or  
222 (vi) an arena;  
223 ~~[(b)]~~ (c) for which there is a contract:  
224 (i) between a person operating a facility listed in Subsection ~~[(6)(a)]~~ (8)(b) and another  
225 person that has common ownership of less than 20% with the person operating the facility; and  
226 (ii) under which the person operating a facility listed in Subsection ~~[(6)(a)]~~ (8)(b) is  
227 required to provide an alcoholic product at the event; and  
228 ~~[(c)]~~ (d) at which food and alcoholic products may be sold, offered for sale, or  
229 furnished.  
230 ~~[(7)]~~ (9) "Bar structure" means a surface or structure on a licensed premises if on or at  
231 any place of the surface or structure an alcoholic product is:  
232 (a) stored; or  
233 (b) dispensed.  
234 ~~[(8)]~~ (10) (a) "Bar establishment license" means a license issued in accordance with  
235 Chapter 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.  
236 (b) "Bar establishment license" includes:  
237 (i) a dining club license;  
238 (ii) an equity license;  
239 (iii) a fraternal license; or  
240 (iv) a bar license.  
241 ~~[(9)]~~ (11) "Bar license" means a license issued in accordance with Chapter 5, Retail  
242 License Act, and Chapter 6, Part 4, Bar Establishment License.  
243 ~~[(10)]~~ (12) (a) Subject to Subsection (10)(d), "beer" means a product that:  
244 (i) contains at least .5% of alcohol by volume, but not more than 5% of alcohol by



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

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

- 307 (e) a public park.
- 308 [~~(23)~~] (25) "Community location governing authority" means:
- 309 (a) the governing body of the community location; or
- 310 (b) if the commission does not know who is the governing body of a community
- 311 location, a person who appears to the commission to have been given on behalf of the
- 312 community location the authority to prohibit an activity at the community location.
- 313 [~~(24)~~] (26) "Container" means a receptacle that contains an alcoholic product,
- 314 including:
- 315 (a) a bottle;
- 316 (b) a vessel; or
- 317 (c) a similar item.
- 318 [~~(25)~~] (27) "Convention center" means a facility that is:
- 319 (a) in total at least 30,000 square feet; and
- 320 (b) otherwise defined as a "convention center" by the commission by rule.
- 321 [~~(26)~~] (28) (a) "Counter" means a surface or structure in a dining area of a licensed
- 322 premises where seating is provided to a patron for service of food.
- 323 (b) "Counter" does not include a dispensing structure.
- 324 [~~(27)~~] (29) "Crime involving moral turpitude" is as defined by the commission by rule.
- 325 [~~(28)~~] (30) "Department" means the Department of Alcoholic Beverage Control created
- 326 in Section [32B-2-203](#).
- 327 [~~(29)~~] (31) "Department compliance officer" means an individual who is:
- 328 (a) an auditor or inspector; and
- 329 (b) employed by the department.
- 330 [~~(30)~~] (32) "Department sample" means liquor that is placed in the possession of the
- 331 department for testing, analysis, and sampling.
- 332 [~~(31)~~] (33) "Dining club license" means a license issued in accordance with Chapter 5,
- 333 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
- 334 commission as a dining club license.
- 335 [~~(32)~~] (34) "Director," unless the context requires otherwise, means the director of the
- 336 department.
- 337 [~~(33)~~] (35) "Disciplinary proceeding" means an adjudicative proceeding permitted

338 under this title:

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

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

341 ~~[(34)]~~ (36) (a) Subject to Subsection ~~[(34)]~~ (36)(b), "dispense" means:

342 (i) drawing an alcoholic product; and

343 (ii) using the alcoholic product at the location from which it was drawn to mix or

344 prepare an alcoholic product to be furnished to a patron of the retail licensee.

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

346 (i) a full-service restaurant license;

347 (ii) a limited-service restaurant license;

348 (iii) a reception center license; and

349 (iv) a beer-only restaurant license.

350 ~~[(35)]~~ (37) "Dispensing structure" means a surface or structure on a licensed premises:

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

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

353 ~~[(36)]~~ (38) "Distillery manufacturing license" means a license issued in accordance

354 with Chapter 11, Part 4, Distillery Manufacturing License.

355 ~~[(37)]~~ (39) "Distressed merchandise" means an alcoholic product in the possession of

356 the department that is saleable, but for some reason is unappealing to the public.

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

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

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

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

361 ~~[(39)]~~ (40) "Equity license" means a license issued in accordance with Chapter 5,

362 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the

363 commission as an equity license.

364 ~~[(40)]~~ (41) "Event permit" means:

365 (a) a single event permit; or

366 (b) a temporary beer event permit.

367 ~~[(41)]~~ (42) "Exempt license" means a license exempt under Section [32B-1-201](#) from

368 being considered in determining the total number of retail licenses that the commission may

369 issue at any time.

370 ~~[(42)]~~ (43) (a) "Flavored malt beverage" means a beverage:

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

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

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

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

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

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

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

384 ~~[(44)]~~ (45) "Full-service restaurant license" means a license issued in accordance with  
385 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.

386 ~~[(45)]~~ (46) (a) "Furnish" means by any means to provide with, supply, or give an  
387 individual an alcoholic product, by sale or otherwise.

388 (b) "Furnish" includes to:

389 (i) serve;

390 (ii) deliver; or

391 (iii) otherwise make available.

392 ~~[(46)]~~ (47) "Guest" means an individual who meets the requirements of Subsection  
393 [32B-6-407\(9\)](#).

394 ~~[(47)]~~ (48) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.

395 ~~[(48)]~~ (49) "Health care practitioner" means:

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

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

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

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

- 400 Act;
- 401 (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,
- 402 Nurse Practice Act;
- 403 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
- 404 Practice Act;
- 405 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
- 406 Therapy Practice Act;
- 407 (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;
- 408 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health
- 409 Professional Practice Act;
- 410 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
- 411 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
- 412 Practice Act;
- 413 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
- 414 Hygienist Practice Act; and
- 415 (m) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician
- 416 Assistant Act.
- 417 ~~[(49)]~~ (50) (a) "Heavy beer" means a product that:
- 418 (i) contains more than 5% alcohol by volume; and
- 419 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- 420 (b) "Heavy beer" is considered liquor for the purposes of this title.
- 421 (51) "Hospitality amenity sublicense" means a hotel or resort license sublicense issued
- 422 in accordance with Chapter 8d, Part 3, Hospitality Amenity Sublicense.
- 423 ~~[(50)]~~ (52) "Hotel" means a commercial lodging establishment that:
- 424 (a) offers at least ~~[30]~~ 40 rooms as temporary sleeping accommodations for
- 425 compensation;
- 426 (b) is capable of hosting conventions, conferences, and food and beverage functions
- 427 under a banquet contract; and
- 428 (c) (i) has adequate kitchen or culinary facilities on the premises to provide complete
- 429 meals; or
- 430 (ii) (A) has at least 1,000 square feet of function space consisting of meeting or dining

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

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

436 ~~[(51)]~~ (53) "Hotel license" means a license issued in accordance with Chapter 5, Retail  
437 License Act, and Chapter 8b, Hotel License Act.

438 ~~[(52)]~~ (54) "Identification card" means an identification card issued under Title 53,  
439 Chapter 3, Part 8, Identification Card Act.

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

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

447 ~~[(55)]~~ (57) "Interdicted person" means a person to whom the sale, offer for sale, or  
448 furnishing of an alcoholic product is prohibited by:

- 449 (a) law; or  
450 (b) court order.

451 ~~[(56)]~~ (58) "Intoxicated" means that a person:

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

- 454 (i) an alcoholic product;  
455 (ii) a controlled substance;  
456 (iii) a substance having the property of releasing toxic vapors; or  
457 (iv) a combination of Subsections ~~[(56)]~~ (58)(a)(i) through (iii); and

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

460 ~~[(57)]~~ (59) "Investigator" means an individual who is:

- 461 (a) a department compliance officer; or

462 (b) a nondepartment enforcement officer.  
463 [~~(58)~~] (60) "Invitee" means the same as that term is defined in Section 32B-8-102.  
464 [~~(59)~~] (61) "License" means:  
465 (a) a retail license;  
466 (b) a sublicense;  
467 [~~(b)~~] (c) a license issued in accordance with Chapter 11, Manufacturing and Related  
468 Licenses Act;  
469 [~~(c)~~] (d) a license issued in accordance with Chapter 12, Liquor Warehousing License  
470 Act;  
471 [~~(d)~~] (e) a license issued in accordance with Chapter 13, Beer Wholesaling License  
472 Act; or  
473 [~~(e)~~] (f) a license issued in accordance with Chapter 17, Liquor Transport License Act.  
474 [~~(60)~~] (62) "Licensee" means a person who holds a license.  
475 [~~(61)~~] (63) "Limited-service restaurant license" means a license issued in accordance  
476 with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.  
477 [~~(62)~~] (64) "Limousine" means a motor vehicle licensed by the state or a local  
478 authority, other than a bus or taxicab:  
479 (a) in which the driver and a passenger are separated by a partition, glass, or other  
480 barrier;  
481 (b) that is provided by a business entity to one or more individuals at a fixed charge in  
482 accordance with the business entity's tariff; and  
483 (c) to give the one or more individuals the exclusive use of the limousine and a driver  
484 to travel to one or more specified destinations.  
485 [~~(63)~~] (65) (a) (i) "Liquor" means a liquid that:  
486 (A) is:  
487 (I) alcohol;  
488 (II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;  
489 (III) a combination of liquids a part of which is spirituous, vinous, or fermented; or  
490 (IV) other drink or drinkable liquid; and  
491 (B) (I) contains at least .5% alcohol by volume; and  
492 (II) is suitable to use for beverage purposes.



493 (ii) "Liquor" includes:

494 (A) heavy beer;

495 (B) wine; and

496 (C) a flavored malt beverage.

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

498 [~~(64)~~] (66) "Liquor Control Fund" means the enterprise fund created by Section  
499 32B-2-301.

500 [~~(65)~~] (67) "Liquor transport license" means a license issued in accordance with  
501 Chapter 17, Liquor Transport License Act.

502 [~~(66)~~] (68) "Liquor warehousing license" means a license that is issued:

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

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

506 [~~(67)~~] (69) "Local authority" means:

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

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

511 (c) for premises that are located in a project area as defined in Section 63H-1-201 and  
512 in a project area plan adopted by the Military Installation Development Authority under Title  
513 63H, Chapter 1, Military Installation Development Authority Act, the Military Installation  
514 Development Authority.

515 [~~(68)~~] (70) "Lounge or bar area" is as defined by rule made by the commission.

516 [~~(69)~~] (71) "Manufacture" means to distill, brew, rectify, mix, compound, process,  
517 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to  
518 others.

519 [~~(70)~~] (72) "Member" means an individual who, after paying regular dues, has full  
520 privileges in an equity licensee or fraternal licensee.

521 [~~(71)~~] (73) (a) "Military installation" means a base, air field, camp, post, station, yard,  
522 center, or homeport facility for a ship:

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

- 524 (B) of the National Guard;
- 525 (ii) that is located within the state; and
- 526 (iii) including a leased facility.
- 527 (b) "Military installation" does not include a facility used primarily for:
- 528 (i) civil works;
- 529 (ii) a rivers and harbors project; or
- 530 (iii) a flood control project.
- 531 [~~(72)~~] (74) "Minibar" means an area of a hotel guest room where one or more alcoholic
- 532 products are kept and offered for self-service sale or consumption.
- 533 [~~(73)~~] (75) "Minor" means an individual under the age of 21 years.
- 534 [~~(74)~~] (76) "Nondepartment enforcement agency" means an agency that:
- 535 (a) (i) is a state agency other than the department; or
- 536 (ii) is an agency of a county, city, town, or metro township; and
- 537 (b) has a responsibility to enforce one or more provisions of this title.
- 538 [~~(75)~~] (77) "Nondepartment enforcement officer" means an individual who is:
- 539 (a) a peace officer, examiner, or investigator; and
- 540 (b) employed by a nondepartment enforcement agency.
- 541 [~~(76)~~] (78) (a) "Off-premise beer retailer" means a beer retailer who is:
- 542 (i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and
- 543 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
- 544 premises.
- 545 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.
- 546 [~~(77)~~] (79) "Off-premise beer retailer state license" means a state license issued in
- 547 accordance with Chapter 7, Part 4, Off-Premise Beer Retailer State License.
- 548 [~~(78)~~] (80) "On-premise banquet license" means a license issued in accordance with
- 549 Chapter 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.
- 550 [~~(79)~~] (81) "On-premise beer retailer" means a beer retailer who is:
- 551 (a) authorized to sell, offer for sale, or furnish beer under a license issued in
- 552 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer
- 553 Retailer License; and
- 554 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's

555 premises:

556 (i) regardless of whether the beer retailer sells beer for consumption off the licensed  
557 premises; and

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

559 (A) as a tavern; or

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

561 ~~[(80)]~~ [\(82\)](#) "Opaque" means impenetrable to sight.

562 ~~[(81)]~~ [\(83\)](#) "Package agency" means a retail liquor location operated:

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

564 (b) by a person:

565 (i) other than the state; and

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

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

568 ~~[(82)]~~ [\(84\)](#) "Package agent" means a person who holds a package agency.

569 ~~[(83)]~~ [\(85\)](#) "Patron" means an individual to whom food, beverages, or services are sold,  
570 offered for sale, or furnished, or who consumes an alcoholic product including:

571 (a) a customer;

572 (b) a member;

573 (c) a guest;

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

575 (e) an individual who receives room service;

576 (f) a resident of a resort;

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

578 or]

579 ~~[(h)]~~ [\(g\)](#) an invitee[-]; or

580 [\(h\)](#) a hospitality guest, as defined in Section [32B-8d-102](#), under a hospitality amenity  
581 sublicense.

582 ~~[(84)]~~ [\(86\)](#) (a) "Performing arts facility" means a multi-use performance space that:

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

585 (ii) contains over 2,500 seats;

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

590 ~~[(85)]~~ (87) "Permittee" means a person issued a permit under:

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

593 ~~[(86)]~~ (88) "Person subject to administrative action" means:

- 594 (a) a licensee;
- 595 (b) a permittee;
- 596 (c) a manufacturer;
- 597 (d) a supplier;
- 598 (e) an importer;
- 599 (f) one of the following holding a certificate of approval:
  - 600 (i) an out-of-state brewer;
  - 601 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
  - 602 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or
- 603 (g) staff of:
  - 604 (i) a person listed in Subsections ~~[(86)]~~ (88)(a) through (f); or
  - 605 (ii) a package agent.

606 ~~[(87)]~~ (89) "Premises" means a building, enclosure, or room used in connection with  
607 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic  
608 product, unless otherwise defined in this title or rules made by the commission.

609 ~~[(88)]~~ (90) "Prescription" means an order issued by a health care practitioner when:

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

615 (91) (a) "Primary spirituous liquor" means the main distilled spirit in a beverage.

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

- 617           (92) "Principal license" means:
- 618           (a) a resort license;
- 619           (b) a hotel license; or
- 620           (c) an arena license.
- 621           ~~[(89)]~~ (93) (a) "Private event" means a specific social, business, or recreational event:
- 622           (i) for which an entire room, area, or hall is leased or rented in advance by an identified
- 623 group; and
- 624           (ii) that is limited in attendance to people who are specifically designated and their
- 625 guests.
- 626           (b) "Private event" does not include an event to which the general public is invited,
- 627 whether for an admission fee or not.
- 628           (94) "Privately sponsored event" means a specific social, business, or recreational
- 629 event:
- 630           (a) that is held in or on the premises of an on-premise banquet licensee; and
- 631           (b) to which entry is restricted by an admission fee.
- 632           ~~[(90)]~~ (95) (a) "Proof of age" means:
- 633           (i) an identification card;
- 634           (ii) an identification that:
- 635           (A) is substantially similar to an identification card;
- 636           (B) is issued in accordance with the laws of a state other than Utah in which the
- 637 identification is issued;
- 638           (C) includes date of birth; and
- 639           (D) has a picture affixed;
- 640           (iii) a valid driver license certificate that:
- 641           (A) includes date of birth;
- 642           (B) has a picture affixed; and
- 643           (C) is issued:
- 644           (I) under Title 53, Chapter 3, Uniform Driver License Act; or
- 645           (II) in accordance with the laws of the state in which it is issued;
- 646           (iv) a military identification card that:
- 647           (A) includes date of birth; and

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

652 (96) "Provisions applicable to a sublicense" means:

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

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

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

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

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

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

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

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

669 ~~[(97)]~~ (97) (a) "Public building" means a building or permanent structure that is:

670 (i) owned or leased by:

671 (A) the state; or

672 (B) a local government entity; and

673 (ii) used for:

674 (A) public education;

675 (B) transacting public business; or

676 (C) regularly conducting government activities.

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

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

679 function.

680 ~~[(92)]~~ (98) "Public conveyance" means a conveyance that the public or a portion of the  
681 public has access to and a right to use for transportation, including an airline, railroad, bus,  
682 boat, or other public conveyance.

683 ~~[(93)]~~ (99) "Reception center" means a business that:

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

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

687 ~~[(94)]~~ (100) "Reception center license" means a license issued in accordance with  
688 Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.

689 ~~[(95)]~~ (101) (a) "Record" means information that is:

690 (i) inscribed on a tangible medium; or

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

692 (b) "Record" includes:

693 (i) a book;

694 (ii) a book of account;

695 (iii) a paper;

696 (iv) a contract;

697 (v) an agreement;

698 (vi) a document; or

699 (vii) a recording in any medium.

700 ~~[(96)]~~ (102) "Residence" means a person's principal place of abode within Utah.

701 ~~[(97)]~~ (103) "Resident," in relation to a resort, means the same as that term is defined  
702 in Section [32B-8-102](#).

703 ~~[(98)]~~ (104) "Resort" means the same as that term is defined in Section [32B-8-102](#).

704 ~~[(99)]~~ (105) "Resort facility" is as defined by the commission by rule.

705 (106) "Resort spa sublicense" means a resort license sublicense issued in accordance  
706 with Chapter 8d, Part 2, Resort Spa Sublicense.

707 ~~[(100)]~~ (107) "Resort license" means a license issued in accordance with Chapter 5,  
708 Retail License Act, and Chapter 8, Resort License Act.

709 ~~[(101)]~~ (108) "Responsible alcohol service plan" means a written set of policies and

710 procedures that outlines measures to prevent employees from:

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

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

714 (c) serving alcoholic beverages to minors.

715 ~~[(102)]~~ (109) "Restaurant" means a business location:

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

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

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

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

720 (a) a full-service restaurant license;

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

722 (c) a beer-only restaurant license.

723 ~~[(103)]~~ (111) "Retail license" means one of the following licenses issued under this  
724 title:

725 (a) a full-service restaurant license;

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

727 (c) a limited-service restaurant license;

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

729 (e) a bar establishment license;

730 (f) an airport lounge license;

731 (g) an on-premise banquet license;

732 (h) an on-premise beer license;

733 (i) a reception center license;

734 (j) a beer-only restaurant license;

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

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

737 (m) an arena license.

738 ~~[(104)]~~ (112) "Room service" means furnishing an alcoholic product to a person in a  
739 guest room of a:

740 (a) hotel; or



741 (b) resort facility.

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

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

745 (i) elementary school;

746 (ii) secondary school; or

747 (iii) kindergarten.

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

749 (i) a nursery school;

750 (ii) an infant day care center;

751 (iii) a trade and technical school;

752 (iv) a preschool; or

753 (v) a home school.

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

757 [~~(106)~~] (115) "Sell" or "offer for sale" means a transaction, exchange, or barter  
758 whereby, for consideration, an alcoholic product is either directly or indirectly transferred,  
759 solicited, ordered, delivered for value, or by a means or under a pretext is promised or  
760 obtained, whether done by a person as a principal, proprietor, or as staff, unless otherwise  
761 defined in this title or the rules made by the commission.

762 [~~(107)~~] (116) "Serve" means to place an alcoholic product before an individual.

763 [~~(108)~~] (117) "Sexually oriented entertainer" means a person who while in a state of  
764 seminudity appears at or performs:

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

766 (b) on the premises of:

767 (i) a bar licensee; or

768 (ii) a tavern;

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

770 (117)(b);

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

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

773 (i) an employee;

774 (ii) an independent contractor;

775 (iii) an agent of the licensee; or

776 (iv) a different type of classification.

777 (118) "Shared seating area" means the licensed premises of two or more restaurant  
778 licensees that the restaurant licensees share as an area for alcoholic beverage consumption in  
779 accordance with Subsection [32B-5-207\(2\)](#).

780 [~~(109)~~] (119) "Single event permit" means a permit issued in accordance with Chapter  
781 9, Part 3, Single Event Permit.

782 [~~(110)~~] (120) "Small brewer" means a brewer who manufactures less than 60,000  
783 barrels of beer, heavy beer, and flavored malt beverages per year.

784 [~~(111)~~] (121) "Small or unincorporated locality" means:

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

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

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

789 [~~(112)~~] (122) "Special use permit" means a permit issued in accordance with Chapter  
790 10, Special Use Permit Act.

791 [~~(113)~~] (123) (a) "Spirituous liquor" means liquor that is distilled.

792 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by  
793 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

794 [~~(114)~~] (124) "Sports center" is as defined by the commission by rule.

795 [~~(115)~~] (125) (a) "Staff" means an individual who engages in activity governed by this  
796 title:

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

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

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

- 803 (b) "Staff" includes:
- 804 (i) an officer;
- 805 (ii) a director;
- 806 (iii) an employee;
- 807 (iv) personnel management;
- 808 (v) an agent of the licensee, including a managing agent;
- 809 (vi) an operator; or
- 810 (vii) a representative.

811 [~~H6~~] (126) "State of nudity" means:

- 812 (a) the appearance of:
- 813 (i) the nipple or areola of a female human breast;
- 814 (ii) a human genital;
- 815 (iii) a human pubic area; or
- 816 (iv) a human anus; or

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

- 818 (i) the nipple or areola of a female human breast;
- 819 (ii) a human genital;
- 820 (iii) a human pubic area; or
- 821 (iv) a human anus.

822 [~~H7~~] (127) "State of seminudity" means a state of dress in which opaque clothing  
823 covers no more than:

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

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

- 827 (i) with no less than the following at its widest point:
- 828 (A) four inches coverage width in the front of the human body; and
- 829 (B) five inches coverage width in the back of the human body; and
- 830 (ii) with coverage that does not taper to less than one inch wide at the narrowest point.

831 [~~H8~~] (128) (a) "State store" means a facility for the sale of packaged liquor:

- 832 (i) located on premises owned or leased by the state; and
- 833 (ii) operated by a state employee.

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

835 (i) a package agency;

836 (ii) a licensee; or

837 (iii) a permittee.

838 ~~[(119)]~~ (129) (a) "Storage area" means an area on licensed premises where the licensee  
839 stores an alcoholic product.

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

841 ~~[(120)]~~ (130) "Sublicense" means ~~[the same as that term is defined in Section~~

842 ~~32B-8-102 or 32B-8b-102.];~~

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

845 (i) a full-service restaurant license;

846 (ii) a limited-service restaurant license;

847 (iii) a bar establishment license;

848 (iv) an on-premise banquet license;

849 (v) an on-premise beer retailer license that is not a tavern; or

850 (vi) a beer-only restaurant license;

851 (b) a hospitality amenity sublicense; or

852 (c) a resort spa sublicense.

853 ~~[(121)]~~ (131) "Supplier" means a person who sells an alcoholic product to the  
854 department.

855 ~~[(122)]~~ (132) "Tavern" means an on-premise beer retailer who is:

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

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

860 ~~[(123)]~~ (133) "Temporary beer event permit" means a permit issued in accordance with  
861 Chapter 9, Part 4, Temporary Beer Event Permit.

862 ~~[(124)]~~ (134) "Temporary domicile" means the principal place of abode within Utah of  
863 a person who does not have a present intention to continue residency within Utah permanently  
864 or indefinitely.

865            [~~(125)~~] (135) "Translucent" means a substance that allows light to pass through, but  
866 does not allow an object or person to be seen through the substance.

867            [~~(126)~~] (136) "Unsaleable liquor merchandise" means a container that:

868            (a) is unsaleable because the container is:

869            (i) unlabeled;

870            (ii) leaky;

871            (iii) damaged;

872            (iv) difficult to open; or

873            (v) partly filled;

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

875            (ii) has contents that are:

876            (A) cloudy;

877            (B) spoiled; or

878            (C) chemically determined to be impure; or

879            (iii) contains:

880            (A) sediment; or

881            (B) a foreign substance; or

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

883            [~~(127)~~] (137) (a) "Wine" means an alcoholic product obtained by the fermentation of  
884 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or  
885 not another ingredient is added.

886            (b) "Wine" includes:

887            (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.  
888 4.10; and

889            (ii) hard cider.

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

892            [~~(128)~~] (138) "Winery manufacturing license" means a license issued in accordance  
893 with Chapter 11, Part 3, Winery Manufacturing License.

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

895            **32B-1-202. Proximity to community location.**

896 (1) As used in this section:

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

898 (A) a state store;

899 (B) a package agency; or

900 (C) a retail licensee.

901 (ii) "Outlet" does not include:

902 (A) an airport lounge licensee; or

903 (B) a restaurant.

904 (b) "Restaurant" means:

905 (i) a full-service restaurant licensee;

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

907 (iii) a beer-only restaurant licensee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

964 **32B-1-206. Advertising prohibited -- Exceptions.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



989           ~~[(4)]~~ (5) Except to the extent prohibited by this title, the advertising of an alcoholic  
990 product is allowed under guidelines established by the commission by rule.

991           ~~[(5)]~~ (6) The advertising or use of any means or media to offer an alcoholic product to  
992 the general public without charge is prohibited.

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

994           **32B-1-208. Percentage lease agreements.**

995           (1) As used in this section, "percentage lease agreement" means a lease agreement in  
996 which the lessee:

997           (a) is a retail licensee; and

998           (b) pays the lessor:

999           (i) a base rent; and

1000           (ii) a percentage of gross revenue the lessee earns while doing business on the rental  
1001 premises.

1002           (2) (a) The parties to a percentage lease agreement shall submit a copy of the  
1003 percentage lease agreement to the department.

1004           (b) If there is a material change to the percentage lease agreement submitted to the  
1005 department under Subsection (2)(a), the parties to the percentage lease agreement shall  
1006 promptly submit a copy of the changed percentage lease agreement to the department.

1007           (3) If a percentage lease agreement requires a retail licensee to pay the lessor a sum of  
1008 6% or less of the retail licensee's gross revenue, the department may not conduct any further  
1009 investigation into the percentage lease agreement.

1010           (4) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah  
1011 Administrative Rulemaking Act, establishing:

1012           (a) the maximum percentage of revenue from alcohol sales a percentage lease  
1013 agreement may require; and

1014           (b) the procedure for submitting a percentage lease agreement under Subsection (2).

1015           Section 5. Section **32B-1-304** is amended to read:

1016           **32B-1-304. Qualifications for a package agency, license, or permit -- Minors.**

1017           (1) (a) ~~[The]~~ Except as provided in Subsection (7), the commission may not issue a  
1018 package agency, license, or permit to a person who has been convicted of:

1019           (i) within seven years before the day on which the commission issues the package

1020 agency, license, or permit, a felony under a federal law or state law;

1021 (ii) within four years before the day on which the commission issues the package

1022 agency, license, or permit:

1023 (A) a violation of a federal law, state law, or local ordinance concerning the sale, offer  
1024 for sale, warehousing, manufacture, distribution, transportation, or adulteration of an alcoholic  
1025 product; or

1026 (B) a crime involving moral turpitude; or

1027 (iii) on two or more occasions within the five years before the day on which the  
1028 package agency, license, or permit is issued, driving under the influence of alcohol, drugs, or  
1029 the combined influence of alcohol and drugs.

1030 (b) If the person is a partnership, corporation, or limited liability company, the  
1031 proscription under Subsection (1)(a) applies if any of the following has been convicted of an  
1032 offense described in Subsection (1)(a):

1033 (i) a partner;

1034 (ii) a managing agent;

1035 (iii) a manager;

1036 (iv) an officer;

1037 (v) a director;

1038 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of  
1039 the corporation; or

1040 (vii) a member who owns at least 20% of the limited liability company.

1041 (c) ~~[The]~~ Except as provided in Subsection (7), the proscription under Subsection  
1042 (1)(a) applies if a person who is employed to act in a supervisory or managerial capacity for a  
1043 package agency, licensee, or permittee has been convicted of an offense described in  
1044 Subsection (1)(a).

1045 (2) ~~[The]~~ Except as described in Section [32B-8-501](#), the commission may immediately  
1046 suspend or revoke a package agency, license, or permit, and terminate a package agency  
1047 agreement, if a person described in Subsection (1):

1048 (a) after the day on which the package agency, license, or permit is issued, is found to  
1049 have been convicted of an offense described in Subsection (1)(a) before the package agency,  
1050 license, or permit is issued; or

1051 (b) on or after the day on which the package agency, license, or permit is issued:

1052 (i) is convicted of an offense described in Subsection (1)(a)(i) or (ii); or

1053 (ii) (A) is convicted of driving under the influence of alcohol, drugs, or the combined  
1054 influence of alcohol and drugs; and

1055 (B) was convicted of driving under the influence of alcohol, drugs, or the combined  
1056 influence of alcohol and drugs within five years before the day on which the person is  
1057 convicted of the offense described in Subsection (2)(b)(ii)(A).

1058 (3) [The] Except as described in Section [32B-8-501](#), the director may take emergency  
1059 action by immediately suspending the operation of the package agency, licensee, or permittee  
1060 for the period during which a criminal matter is being adjudicated if a person described in  
1061 Subsection (1):

1062 (a) is arrested on a charge for an offense described in Subsection (1)(a)(i) or (ii); or

1063 (b) (i) is arrested on a charge for the offense of driving under the influence of alcohol,  
1064 drugs, or the combined influence of alcohol and drugs; and

1065 (ii) was convicted of driving under the influence of alcohol, drugs, or the combined  
1066 influence of alcohol and drugs within five years before the day on which the person is arrested  
1067 on a charge described in Subsection (3)(b)(i).

1068 (4) (a) (i) The commission may not issue a package agency, license, or permit to a  
1069 person who has had any type of agency, license, or permit issued under this title revoked within  
1070 the last three years.

1071 (ii) The commission may not issue a package agency, license, or permit to a  
1072 partnership, corporation, or limited liability company if a partner, managing agent, manager,  
1073 officer, director, stockholder who holds at least 20% of the total issued and outstanding stock  
1074 of the corporation, or member who owns at least 20% of the limited liability company is or  
1075 was:

1076 (A) a partner or managing agent of a partnership that had any type of agency, license,  
1077 or permit issued under this title revoked within the last three years;

1078 (B) a managing agent, officer, director, or stockholder who holds or held at least 20%  
1079 of the total issued and outstanding stock of any corporation that had any type of agency,  
1080 license, or permit issued under this title revoked within the last three years; or

1081 (C) a manager or member who owns or owned at least 20% of a limited liability

1082 company that had any type of agency, license, or permit issued under this title revoked within  
1083 the last three years.

1084 (b) The commission may not issue a package agency, licence, or permit to a  
1085 partnership, corporation, or limited liability company if any of the following had any type of  
1086 agency, license, or permit issued under this title revoked while acting in that person's individual  
1087 capacity within the last three years:

1088 (i) a partner or managing agent of a partnership;

1089 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the  
1090 total issued and outstanding stock of a corporation; or

1091 (iii) a manager or member who owns at least 20% of a limited liability company.

1092 (c) The commission may not issue a package agency, license, or permit to a person  
1093 acting in an individual capacity if that person was:

1094 (i) a partner or managing agent of a partnership that had any type of agency, license, or  
1095 permit issued under this title revoked within the last three years;

1096 (ii) a managing agent, officer, director, or stockholder who held at least 20% of the  
1097 total issued and outstanding stock of a corporation that had any type of agency, license, or  
1098 permit issued under this title revoked within the last three years; or

1099 (iii) a manager or member who owned at least 20% of the limited liability company  
1100 that had any type of agency, license, or permit issued under this title revoked within the last  
1101 three years.

1102 (5) (a) The commission may not issue a package agency, license, or permit to a minor.

1103 (b) The commission may not issue a package agency, license, or permit to a  
1104 partnership, corporation, or limited liability company if any of the following is a minor:

1105 (i) a partner or managing agent of the partnership;

1106 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the  
1107 total issued and outstanding stock of the corporation; or

1108 (iii) a manager or member who owns at least 20% of the limited liability company.

1109 (6) [Hf] Except as described in Section 32B-8-501, if a package agent, licensee, or  
1110 permittee no longer possesses the qualifications required by this title for obtaining a package  
1111 agency, license, or permit, the commission may terminate the package agency agreement, or  
1112 revoke the license or permit.

1113 (7) If the licensee is a resort licensee:

1114 (a) Subsection (1)(a) only applies if an individual listed in Subsection (1)(b) engages in  
1115 the management of the resort, as the commission defines in rule; and

1116 (b) Subsection (1)(c) only applies to an individual employed to act in a supervisory or  
1117 managerial capacity for the resort licensee or in relation to a sublicense of the resort license.

1118 Section 6. Section **32B-1-305** is amended to read:

1119 **32B-1-305. Requirement for a background check.**

1120 (1) The department shall require an individual listed in Subsection (2), in accordance  
1121 with this part, to:

1122 (a) provide a signed waiver from the individual whose fingerprints may be registered in  
1123 the Federal Bureau of Investigation Rap Back system that notifies the signee:

1124 (i) that a criminal history background check will be conducted;

1125 (ii) who will see the information; and

1126 (iii) how the information will be used;

1127 (b) submit to a background check in a form acceptable to the department; and

1128 (c) consent to a background check by:

1129 (i) the Utah Bureau of Criminal Identification; and

1130 (ii) the Federal Bureau of Investigation.

1131 (2) The following shall comply with Subsection (1):

1132 (a) an individual applying for employment with the department if:

1133 (i) the department makes the decision to offer the individual employment with the  
1134 department; and

1135 (ii) once employed, the individual will receive benefits;

1136 (b) an individual applying to the commission to operate a package agency;

1137 (c) an individual applying to the commission for a license, unless the license is an  
1138 off-premise beer retailer state license;

1139 (d) an individual who with regard to an entity that is applying to the commission to  
1140 operate a package agency or for a license is:

1141 (i) a partner;

1142 (ii) a managing agent;

1143 (iii) a manager;

1144 (iv) an officer;  
1145 (v) a director;  
1146 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of a  
1147 corporation;  
1148 (vii) a member who owns at least 20% of a limited liability company; or  
1149 (viii) an individual employed to act in a supervisory or managerial capacity; or  
1150 (e) an individual who becomes involved with an entity that operates a package agency  
1151 or holds a license, if the individual is in a capacity listed in Subsection (2)(d) on or after the day  
1152 on which the entity:  
1153 (i) is approved to operate a package agency; or  
1154 (ii) is licensed by the commission.  
1155 (3) (a) Except as provided in Subsection (3)(b), the commission may not require an  
1156 individual to comply with Subsection (1) based on the individual's position with or ownership  
1157 interest in an entity that has an ownership interest in the entity that is applying for the package  
1158 agency or license.  
1159 (b) The commission may require an individual described in Subsection (3)(a) to  
1160 comply with Subsection (1) if the individual exercises direct decision making control over the  
1161 day-to-day operations of the package agency or licensee.  
1162 (4) The department shall require compliance with Subsection (2)(e) as a condition of  
1163 an entity's:  
1164 (a) continued operation of a package agency; or  
1165 (b) renewal of a license.  
1166 (5) The department may require as a condition of continued employment that a  
1167 department employee:  
1168 (a) submit to a background check in a form acceptable to the department; and  
1169 (b) consent to a fingerprint criminal background check by:  
1170 (i) the Utah Bureau of Criminal Identification; and  
1171 (ii) the Federal Bureau of Investigation.  
1172 Section 7. Section **32B-1-604** is amended to read:  
1173 **32B-1-604. Requirements for labeling and packaging -- Authority of the**  
1174 **commission and department.**

- 1175 (1) A manufacturer may not distribute or sell a malted beverage:  
 1176 (a) unless the label and packaging of the malted beverage:  
 1177 (i) complies with the federal label requirements of 27 C.F.R. Parts 7, 13, and 16; ~~and~~  
 1178 (ii) clearly gives notice to the public that the malted beverage is an alcoholic product;  
 1179 and  
 1180 (iii) if the malted beverage is beer, includes the alcohol content of the beer expressed as  
 1181 percent alcohol by volume:  
 1182 (A) in a font at least four millimeters high on a label; and  
 1183 (B) in a font at least five millimeters high on packaging; and  
 1184 (b) until the day on which the department in accordance with this title and rules of the  
 1185 commission approves the label and packaging of the malted beverage.  
 1186 (2) The department shall review the label and packaging of a malted beverage to ensure  
 1187 that the label and packaging meet the requirements of Subsection (1)(a).  
 1188 (3) Except as otherwise required under Section 32B-1-606, a manufacturer may comply  
 1189 with the requirement of Subsection (1)(a)(ii) by including on a label and packaging for a  
 1190 malted beverage any of the following terms:  
 1191 (a) beer;  
 1192 (b) ale;  
 1193 (c) porter;  
 1194 (d) stout;  
 1195 (e) lager;  
 1196 (f) lager beer; or  
 1197 (g) another class or type designation commonly applied to a malted beverage that  
 1198 conveys by a recognized term that the product contains alcohol.  
 1199 Section 8. Section 32B-1-607 is amended to read:  
 1200 **32B-1-607. Rulemaking authority.**  
 1201 (1) The commission may adopt rules necessary to implement this part.  
 1202 (2) Notwithstanding Subsections 32B-1-102~~(10)~~(12) and ~~(49)~~ (50), in accordance  
 1203 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make  
 1204 rules that allow for a tolerance in the alcohol content of beer or heavy beer as follows:  
 1205 (a) up to 0.18% above or below when measured by volume; or

1206 (b) up to 0.15% above or below when measured by weight.  
1207 Section 9. Section **32B-2-202** is amended to read:  
1208 **32B-2-202. Powers and duties of the commission.**  
1209 (1) The commission shall:  
1210 (a) consistent with the policy established by the Legislature by statute, act as a general  
1211 policymaking body on the subject of alcoholic product control;  
1212 (b) adopt and issue policies, rules, and procedures;  
1213 (c) set policy by written rules that establish criteria and procedures for:  
1214 (i) issuing, denying, not renewing, suspending, or revoking a package agency, license,  
1215 permit, or certificate of approval; and  
1216 (ii) determining the location of a state store, package agency, or retail licensee;  
1217 (d) decide within the limits, and under the conditions imposed by this title, the number  
1218 and location of state stores, package agencies, and retail licensees in the state;  
1219 (e) issue, deny, suspend, revoke, or not renew the following package agencies, licenses,  
1220 permits, or certificates of approval for the purchase, storage, sale, offer for sale, furnishing,  
1221 consumption, manufacture, and distribution of an alcoholic product:  
1222 (i) a package agency;  
1223 (ii) a full-service restaurant license;  
1224 (iii) a master full-service restaurant license;  
1225 (iv) a limited-service restaurant license;  
1226 (v) a master limited-service restaurant license;  
1227 (vi) a bar establishment license;  
1228 (vii) an airport lounge license;  
1229 (viii) an on-premise banquet license;  
1230 (ix) a resort license, [~~under which at least~~] which includes four or more sublicenses  
1231 [~~may be included~~];  
1232 (x) an on-premise beer retailer license;  
1233 (xi) a reception center license;  
1234 (xii) a beer-only restaurant license;  
1235 (xiii) a hotel license, [~~under which at least~~] which includes three or more sublicenses  
1236 [~~may be included~~];



- 1237 (xiv) an arena license, which includes three or more sublicenses;  
 1238 [~~(xiv)~~] (xv) subject to Subsection (4), a single event permit;  
 1239 [~~(xv)~~] (xvi) subject to Subsection (4), a temporary beer event permit;  
 1240 [~~(xvi)~~] (xvii) a special use permit;  
 1241 [~~(xvii)~~] (xviii) a manufacturing license;  
 1242 [~~(xviii)~~] (xvix) a liquor warehousing license;  
 1243 [~~(xix)~~] (xx) a beer wholesaling license;  
 1244 [~~(xx)~~] (xxi) a liquor transport license;  
 1245 [~~(xxi)~~] (xxii) an off-premise beer retailer state license;  
 1246 [~~(xxii)~~] (xxiii) a master off-premise beer retailer state license; and  
 1247 [~~(xxiii)~~] (xxiv) one of the following that holds a certificate of approval:  
 1248 (A) an out-of-state brewer;  
 1249 (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and  
 1250 (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages;  
 1251 (f) issue, deny, suspend, or revoke the following conditional licenses:  
 1252 (i) a conditional retail license as defined in Section [32B-5-205](#); and  
 1253 (ii) a conditional off-premise beer retailer state license as defined in Section  
 1254 [32B-7-406](#);  
 1255 (g) prescribe the duties of the department in assisting the commission in issuing a  
 1256 package agency, license, permit, or certificate of approval under this title;  
 1257 (h) to the extent a fee is not specified in this title, establish a fee allowed under this title  
 1258 in accordance with Section [63J-1-504](#);  
 1259 (i) fix prices at which liquor is sold that are the same at all state stores, package  
 1260 agencies, and retail licensees;  
 1261 (j) issue and distribute price lists showing the price to be paid by a purchaser for each  
 1262 class, variety, or brand of liquor kept for sale by the department;  
 1263 (k) (i) require the director to follow sound management principles; and  
 1264 (ii) require periodic reporting from the director to ensure that:  
 1265 (A) sound management principles are being followed; and  
 1266 (B) policies established by the commission are being observed;  
 1267 (l) (i) receive, consider, and act in a timely manner upon the reports, recommendations,

- 1268 and matters submitted by the director to the commission; and
- 1269 (ii) do the things necessary to support the department in properly performing the
- 1270 department's duties;
- 1271 (m) obtain temporarily and for special purposes the services of an expert or person
- 1272 engaged in the practice of a profession, or a person who possesses a needed skill if:
- 1273 (i) considered expedient; and
- 1274 (ii) approved by the governor;
- 1275 (n) prescribe by rule the conduct, management, and equipment of premises upon which
- 1276 an alcoholic product may be stored, sold, offered for sale, furnished, or consumed;
- 1277 (o) make rules governing the credit terms of beer sales within the state to retail
- 1278 licensees; and
- 1279 (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take
- 1280 disciplinary action against a person subject to administrative action.
- 1281 (2) Consistent with the policy established by the Legislature by statute, the power of
- 1282 the commission to do the following is plenary, except as otherwise provided by this title, and
- 1283 not subject to review:
- 1284 (a) establish a state store;
- 1285 (b) issue authority to act as a package agent or operate a package agency; and
- 1286 (c) issue ~~[or]~~ deny, or deem forfeit a license, permit, or certificate of approval.
- 1287 (3) If the commission is authorized or required to make a rule under this title, the
- 1288 commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative
- 1289 Rulemaking Act.
- 1290 (4) Notwithstanding Subsections ~~[(1)(c)(xiv) and (xv)]~~ (1)(e)(xv) and (xvi), the
- 1291 director or deputy director may issue an event permit in accordance with Chapter 9, Event
- 1292 Permit Act.
- 1293 Section 10. Section **32B-2-304** is amended to read:
- 1294 **32B-2-304. Liquor price -- School lunch program -- Remittance of markup.**
- 1295 (1) For purposes of this section:
- 1296 (a) (i) "Landed case cost" means:
- 1297 (A) the cost of the product; and
- 1298 (B) inbound shipping costs incurred by the department.

1299 (ii) "Landed case cost" does not include the outbound shipping cost from a warehouse  
1300 of the department to a state store.

1301 (b) "Proof gallon" means the same as that term is defined in 26 U.S.C. Sec. 5002.

1302 [~~(c) Notwithstanding Section 32B-1-102, "small brewer" means a brewer who~~  
1303 ~~manufactures in a calendar year less than 40,000 barrels of beer, heavy beer, and flavored malt~~  
1304 ~~beverage.]~~

1305 (2) Except as provided in Subsection (3):

1306 (a) spirituous liquor sold by the department within the state shall be marked up in an  
1307 amount not less than 88% above the landed case cost to the department;

1308 (b) wine sold by the department within the state shall be marked up in an amount not  
1309 less than 88% above the landed case cost to the department;

1310 (c) heavy beer sold by the department within the state shall be marked up in an amount  
1311 not less than 66.5% above the landed case cost to the department; and

1312 (d) a flavored malt beverage sold by the department within the state shall be marked up  
1313 in an amount not less than 88% above the landed case cost to the department.

1314 (3) (a) Liquor sold by the department to a military installation in Utah shall be marked  
1315 up in an amount not less than 17% above the landed case cost to the department.

1316 (b) Except for spirituous liquor sold by the department to a military installation in  
1317 Utah, spirituous liquor that is sold by the department within the state shall be marked up 49%  
1318 above the landed case cost to the department if:

1319 (i) the spirituous liquor is manufactured by a manufacturer producing less than 30,000  
1320 proof gallons of spirituous liquor in a calendar year; and

1321 (ii) the manufacturer applies to the department for a reduced markup.

1322 (c) Except for wine sold by the department to a military installation in Utah, wine that  
1323 is sold by the department within the state shall be marked up 49% above the landed case cost to  
1324 the department if:

1325 (i) (A) except as provided in Subsection (3)(c)(i)(B), the wine is manufactured by a  
1326 manufacturer producing less than 20,000 gallons of wine in a calendar year; or

1327 (B) for hard cider, the hard cider is manufactured by a manufacturer producing less  
1328 than 620,000 gallons of hard cider in a calendar year; and

1329 (ii) the manufacturer applies to the department for a reduced markup.

1330 (d) Except for heavy beer sold by the department to a military installation in Utah,  
1331 heavy beer that is sold by the department within the state shall be marked up 32% above the  
1332 landed case cost to the department if:

1333 (i) a small brewer manufactures the heavy beer; and

1334 (ii) the small brewer applies to the department for a reduced markup.

1335 (e) The department shall verify an amount described in Subsection (3)(b), (c), or (d)  
1336 pursuant to a federal or other verifiable production report.

1337 (f) For purposes of determining whether an alcoholic product qualifies for a markup  
1338 under this Subsection (3), the department shall evaluate whether the manufacturer satisfies the  
1339 applicable production requirement without considering the manufacturer's production of any  
1340 other type of alcoholic product.

1341 (4) The department shall deposit 10% of the total gross revenue from sales of liquor  
1342 with the state treasurer to be credited to the Uniform School Fund and used to support the  
1343 school lunch program administered by the State Board of Education under Section [53E-3-510](#).

1344 (5) This section does not prohibit the department from selling discontinued items at a  
1345 discount.

1346 Section 11. Section **32B-2-605** is amended to read:

1347 **32B-2-605. Operational requirements for package agency.**

1348 (1) (a) A person may not operate a package agency until a package agency agreement is  
1349 entered into by the package agent and the department.

1350 (b) A package agency agreement shall state the conditions of operation by which the  
1351 package agent and the department are bound.

1352 (c) (i) If a package agent or staff of the package agent violates this title, rules under this  
1353 title, or the package agency agreement, the department may take any action against the package  
1354 agent that is allowed by the package agency agreement.

1355 (ii) An action against a package agent is governed solely by its package agency  
1356 agreement and may include suspension or revocation of the package agency.

1357 (iii) A package agency agreement shall provide procedures to be followed if a package  
1358 agent fails to pay money owed to the department including a procedure for replacing the  
1359 package agent or operator of the package agency.

1360 (iv) A package agency agreement shall provide that the package agency is subject to

1361 covert investigations for selling an alcoholic product to a minor.

1362 (v) Notwithstanding that this part refers to "package agency" or "package agent," staff  
1363 of the package agency or package agent is subject to the same requirement or prohibition.

1364 (2) (a) A package agency shall be operated by an individual who is either:

1365 (i) the package agent; or

1366 (ii) an individual designated by the package agent.

1367 (b) An individual who is a designee under this Subsection (2) shall be:

1368 (i) an employee of the package agent; and

1369 (ii) responsible for the operation of the package agency.

1370 (c) The conduct of the designee is attributable to the package agent.

1371 (d) A package agent shall submit the name of the person operating the package agency  
1372 to the department for the department's approval.

1373 (e) A package agent shall state the name and title of a designee on the application for a  
1374 package agency.

1375 (f) A package agent shall:

1376 (i) inform the department of a proposed change in the individual designated to operate  
1377 a package agency; and

1378 (ii) receive prior approval from the department before implementing the change  
1379 described in this Subsection (2)(f).

1380 (g) Failure to comply with the requirements of this Subsection (2) may result in the  
1381 immediate termination of a package agency agreement.

1382 (3) (a) A package agent shall display in a prominent place in the package agency the  
1383 record issued by the commission that designates the package agency.

1384 (b) A package agent that displays or stores liquor at a location visible to the public  
1385 shall display in a prominent place in the package agency a sign in large letters that consists of  
1386 text in the following order:

1387 (i) a header that reads: "WARNING";

1388 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy  
1389 can cause birth defects and permanent brain damage for the child.";

1390 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at  
1391 [insert most current toll-free number] with questions or for more information.";

1392 (iv) a header that reads: "WARNING"; and

1393 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a  
1394 serious crime that is prosecuted aggressively in Utah."

1395 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different  
1396 font style than the text described in Subsections (3)(b)(iv) and (v).

1397 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the  
1398 same font size.

1399 (d) The Department of Health shall work with the commission and department to  
1400 facilitate consistency in the format of a sign required under this section.

1401 (4) A package agency may not display liquor or a price list in a window or showcase  
1402 that is visible to passersby.

1403 (5) (a) A package agency may not purchase liquor from a person except from the  
1404 department.

1405 (b) At the discretion of the department, the department may provide liquor [~~may be~~  
1406 ~~provided by the department~~] to a package agency for sale on consignment.

1407 (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place  
1408 other than as designated in the package agent's application, unless the package agent first  
1409 applies for and receives approval from the department for a change of location within the  
1410 package agency premises.

1411 (7) (a) [~~A~~] Except as provided in Subsection (7)(b), a package agency may not sell,  
1412 offer for sale, or furnish liquor except at a price fixed by the commission.

1413 (b) A package agency may provide as room service one alcoholic product free of  
1414 charge per guest room, if;

1415 (i) the package agency is the type of package agency that authorizes the package  
1416 agency to sell, offer for sale, or furnish an alcoholic product as part of room service;

1417 (ii) staff of the package agency provides the alcoholic product:

1418 (A) in person; and

1419 (B) only to an adult guest in the guest room;

1420 (iii) staff of the package agency does not leave the alcoholic product outside a guest  
1421 room for retrieval by a guest; and

1422 (iv) the alcoholic product is in an unopened container not to exceed 750 milliliters.

- 1423 (8) A package agency may not sell, offer for sale, or furnish liquor to:
- 1424 (a) a minor;
- 1425 (b) a person actually, apparently, or obviously intoxicated;
- 1426 (c) a known interdicted person; or
- 1427 (d) a known habitual drunkard.
- 1428 (9) (a) A package agency may not employ a minor to handle liquor.
- 1429 (b) (i) Staff of a package agency may not:
- 1430 (A) consume an alcoholic product on the premises of a package agency; or
- 1431 (B) allow any person to consume an alcoholic product on the premises of a package
- 1432 agency.
- 1433 (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.
- 1434 (10) (a) A package agency may not close or cease operation for a period longer than 72
- 1435 hours, unless:
- 1436 (i) the package agency notifies the department in writing at least seven days before the
- 1437 [closing] day on which the package agency closes or ceases operation; and
- 1438 (ii) the closure or cessation of operation is first approved by the department.
- 1439 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
- 1440 agency shall immediately notify the department by telephone.
- 1441 (c) (i) The department may authorize a closure or cessation of operation for a period
- 1442 not to exceed 60 days.
- 1443 (ii) The department may extend the initial period described in Subsection (10)(c)(i) an
- 1444 additional 30 days upon written request of the package agency and upon a showing of good
- 1445 cause.
- 1446 (iii) A closure or cessation of operation may not exceed a total of 90 days without
- 1447 commission approval.
- 1448 (d) The notice required by Subsection (10)(a) shall include:
- 1449 (i) the dates of closure or cessation of operation;
- 1450 (ii) the reason for the closure or cessation of operation; and
- 1451 (iii) the date on which the package agency will reopen or resume operation.
- 1452 (e) Failure of a package agency to provide notice and to obtain department
- 1453 authorization before closure or cessation of operation results in an automatic termination of the

1454 package agency agreement effective immediately.

1455 (f) Failure of a package agency to reopen or resume operation by the approved date  
1456 results in an automatic termination of the package agency agreement effective on that date.

1457 (11) A package agency may not transfer [its] the package agency's operations from one  
1458 location to another location without prior written approval of the commission.

1459 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,  
1460 exchange, barter, give, or attempt in any way to dispose of the package agency to another  
1461 person, whether for monetary gain or not.

1462 (b) A package agency has no monetary value for any type of disposition.

1463 (13) (a) Subject to the other provisions of this Subsection (13):

1464 (i) sale or delivery of liquor may not be made on or from the premises of a package  
1465 agency, and a package agency may not be kept open for the sale of liquor:

1466 (A) on Sunday; or

1467 (B) on a state or federal legal holiday.

1468 (ii) Sale or delivery of liquor may be made on or from the premises of a package  
1469 agency, and a package agency may be open for the sale of liquor, only on a day and during  
1470 hours that the commission directs by rule or order.

1471 (b) A package agency located at a manufacturing facility is not subject to Subsection  
1472 (13)(a) if:

1473 (i) the package agency is located at a manufacturing facility licensed in accordance  
1474 with Chapter 11, Manufacturing and Related Licenses Act;

1475 (ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing  
1476 and Related Licenses Act, holds:

1477 (A) a full-service restaurant license;

1478 (B) a limited-service restaurant license;

1479 (C) a beer-only restaurant license;

1480 (D) a dining club license; or

1481 (E) a bar license;

1482 (iii) the restaurant, dining club, or bar is located at the manufacturing facility;

1483 (iv) the restaurant, dining club, or bar sells an alcoholic product produced at the  
1484 manufacturing facility;



- 1485 (v) the manufacturing facility:
- 1486 (A) owns the restaurant, dining club, or bar; or
- 1487 (B) operates the restaurant, dining club, or bar;
- 1488 (vi) the package agency only sells an alcoholic product produced at the manufacturing
- 1489 facility; and
- 1490 (vii) the package agency's days and hours of sale are the same as the days and hours of
- 1491 sale at the restaurant, dining club, or bar.
- 1492 (c) (i) Subsection (13)(a) does not apply to a package agency held by the following if
- 1493 the package agent that holds the package agency to sell liquor at a resort or hotel does not sell
- 1494 liquor in a manner similar to a state store:
- 1495 (A) a resort licensee; or
- 1496 (B) a hotel licensee.
- 1497 (ii) The commission may by rule define what constitutes a package agency that sells
- 1498 liquor "in a manner similar to a state store."
- 1499 (14) (a) Except to the extent authorized by commission rule, a minor may not be
- 1500 admitted into, or be on the premises of, a package agency unless accompanied by a person who
- 1501 is:
- 1502 (i) 21 years of age or older; and
- 1503 (ii) the minor's parent, legal guardian, or spouse.
- 1504 (b) A package agent or staff of a package agency that has reason to believe that a
- 1505 person who is on the premises of a package agency is under the age of 21 and is not
- 1506 accompanied by a person described in Subsection (14)(a) may:
- 1507 (i) ask the suspected minor for proof of age;
- 1508 (ii) ask the person who accompanies the suspected minor for proof of age; and
- 1509 (iii) ask the suspected minor or the person who accompanies the suspected minor for
- 1510 proof of parental, guardianship, or spousal relationship.
- 1511 (c) A package agent or staff of a package agency shall refuse to sell liquor to the
- 1512 suspected minor and to the person who accompanies the suspected minor into the package
- 1513 agency if the minor or person fails to provide any information specified in Subsection (14)(b).
- 1514 (d) A package agent or staff of a package agency shall require the suspected minor and
- 1515 the person who accompanies the suspected minor into the package agency to immediately leave

1516 the premises of the package agency if the minor or person fails to provide information specified  
1517 in Subsection (14)(b).

1518 (15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed  
1519 container.

1520 (b) A person may not open a sealed container on the premises of a package agency.

1521 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or  
1522 furnish liquor in other than a sealed container:

1523 (i) if the package agency is the type of package agency that authorizes the package  
1524 agency to sell, offer for sale, or furnish the liquor as part of room service;

1525 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and

1526 (iii) subject to:

1527 (A) staff of the package agency providing the liquor in person only to an adult guest in  
1528 the guest room;

1529 (B) staff of the package agency not leaving the liquor outside a guest room for retrieval  
1530 by a guest; and

1531 (C) the same limits on the portions in which an alcoholic product may be sold by a  
1532 retail licensee under Section [32B-5-304](#).

1533 (16) On or after October 1, 2011, a package agency may not sell, offer for sale, or  
1534 furnish heavy beer in a sealed container that exceeds two liters.

1535 (17) The department may pay or otherwise remunerate a package agent on any basis,  
1536 including sales or volume of business done by the package agency.

1537 (18) The commission may prescribe by policy or rule general operational requirements  
1538 of a package agency that are consistent with this title and relate to:

1539 (a) physical facilities;

1540 (b) conditions of operation;

1541 (c) hours of operation;

1542 (d) inventory levels;

1543 (e) payment schedules;

1544 (f) methods of payment;

1545 (g) premises security; and

1546 (h) any other matter considered appropriate by the commission.

1547 (19) A package agency may not maintain a minibar.

1548 Section 12. Section **32B-3-202** is amended to read:

1549 **32B-3-202. Timing of reporting violations.**

1550 [~~Except when the person subject to administrative action is staff;~~]

1551 [~~(1) A disciplinary proceeding may not be initiated or maintained by the commission or~~  
1552 ~~department on the basis, in whole or in part, of a violation of this title unless a person subject to~~  
1553 ~~administrative action against whom the violation is alleged is notified by the department of the~~  
1554 ~~violation in accordance with this section.]~~

1555 [~~(2) (a) A nondepartment enforcement agency or nondepartment enforcement officer~~  
1556 ~~may not report a violation of this title to the department more than eight business days after the~~  
1557 ~~day on which a nondepartment enforcement officer or agency completes an investigation that~~  
1558 ~~finds a violation of this title.]~~

1559 [~~(b) If the commission or department wants the right to initiate or maintain a~~  
1560 ~~disciplinary proceeding on the basis, in whole or in part, of a violation of this title alleged in a~~  
1561 ~~report described in Subsection (2)(a), the department shall notify a person subject to~~  
1562 ~~administrative action who is alleged by the report to have violated this title:]~~

1563 [~~(i) by no later than eight business days of the day on which the department receives~~  
1564 ~~the report described in Subsection (2)(a); and]~~

1565 [~~(ii) that the commission or department may initiate or maintain a disciplinary~~  
1566 ~~proceeding on the basis, in whole or in part, of the violation.]~~

1567 [~~(3) If the commission or department wants the right to initiate or maintain a~~  
1568 ~~disciplinary proceeding on the basis, in whole or in part, of a violation of this title alleged by a~~  
1569 ~~report of a department compliance officer, the department shall notify a person subject to~~  
1570 ~~administrative action who is alleged by the report to have violated this title:]~~

1571 [~~(a) by no later than eight business days of the day on which the department~~  
1572 ~~compliance officer completes an investigation that finds a violation of this title; and]~~

1573 [~~(b) that the commission or department may initiate or maintain a disciplinary~~  
1574 ~~proceeding on the basis, in whole or in part, of the violation.]~~

1575 (1) Before the department or the commission may take administrative action against a  
1576 person subject to administrative action:

1577 (a) a nondepartment enforcement agency or enforcement officer or a department

1578 compliance officer shall submit to the department a report:

1579 (i) containing facts that could support a finding that the person subject to  
1580 administrative action violated this title or a commission rule; and

1581 (ii) no more than eight business days after the day on which the nondepartment  
1582 enforcement agency or officer or the compliance officer completes the investigation containing  
1583 the facts described in Subsection (1)(a)(i); and

1584 (b) subject to Subsection (5), the department shall notify the person subject to  
1585 administrative action:

1586 (i) no more than eight business days after the day on which the department receives the  
1587 report described in Subsection (1)(a);

1588 (ii) that the commission or department received the report described in Subsection  
1589 (1)(a); and

1590 (iii) that the commission or department may initiate or maintain a disciplinary  
1591 proceeding on the basis, in whole or in part, on the facts contained in the report described in  
1592 Subsection (1)(a).

1593 ~~[(4)]~~ (2) (a) ~~[A]~~ The department may provide the notice required [by] under this section  
1594 ~~[may be done]~~ orally, if after the oral notification the department provides written notification.

1595 (b) The department may provide the written notification described in Subsection ~~[(4)]~~  
1596 (2)(a) ~~[may be sent]~~ outside the time periods required [by] under this section.

1597 ~~[(5)]~~ (3) The department shall maintain a record of a notification required [by] under  
1598 this section that includes:

1599 (a) the name of the person notified; ~~[and]~~

1600 (b) the date of the notification~~[-]; and~~

1601 (c) the type of notification given.

1602 (4) (a) The department may issue an order to show cause if the department receives a  
1603 report described in Subsection (1)(a), containing facts that could support a finding that the  
1604 person subject to administrative action violated:

1605 (i) this title regarding necessary licensing requirements; or

1606 (ii) a commission rule regarding necessary licensing requirements.

1607 (b) A necessary licensing requirement described in Subsection (4)(a) includes:

1608 (i) maintaining an approved, licensed premise;

- 1609            (ii) maintaining insurance;
- 1610            (iii) maintaining a bond;
- 1611            (iv) following the requirements in Section [32B-1-304](#), regarding qualifications;
- 1612            (v) maintaining required store hours;
- 1613            (vi) failing to utilize the license issued; or
- 1614            (vii) transferring a license in violation of Chapter 8a, Transfer of Applicable License

1615 Act.

1616            (c) The department's issuance of an order to show cause in accordance with this

1617 Subsection (4):

1618            (i) does not initiate a disciplinary proceeding; and

1619            (ii) is not subject to Title 63G, Chapter 4, Administrative Procedures Act.

1620            (5) The department is not required to provide notice as described in Subsection (1)(b)

1621 if the person subject to administrative action is staff.

1622            Section 13. Section **32B-3-204** is amended to read:

1623            **32B-3-204. Disciplinary proceeding procedure.**

1624            (1) (a) Subject to Section [32B-3-202](#), the following may conduct an adjudicative  
1625 proceeding to inquire into a matter necessary and proper for the administration of this title and  
1626 rules adopted under this title:

1627            (i) the commission;

1628            (ii) a hearing examiner appointed by the commission to conduct a suspension,

1629 non-renewal, or revocation hearing required by law;

1630            (iii) the director; and

1631            (iv) the department.

1632            (b) Except as provided in this section or Section [32B-2-605](#), a person described in  
1633 Subsection (1)(a) shall comply with Title 63G, Chapter 4, Administrative Procedures Act, in an  
1634 adjudicative proceeding.

1635            (c) Except when otherwise provided by law, an adjudicative proceeding before the  
1636 commission or a hearing examiner appointed by the commission shall be:

1637            (i) video or audio recorded; and

1638            (ii) subject to Subsection (3)(b), conducted in accordance with Title 52, Chapter 4,

1639 Open and Public Meetings Act.

1640 (d) A person listed in Subsection (1)(a) shall conduct an adjudicative proceeding  
1641 concerning departmental personnel in accordance with Title 67, Chapter 19, Utah State  
1642 Personnel Management Act.

1643 (e) A hearing that is informational, fact gathering, and nonadversarial in nature shall be  
1644 conducted in accordance with rules, policies, and procedures made by the commission,  
1645 director, or department.

1646 (2) (a) Subject to Section 32B-3-202, a disciplinary proceeding shall be conducted  
1647 under the authority of the commission, which is responsible for rendering a final decision and  
1648 order on a disciplinary matter.

1649 (b) (i) The commission may appoint a necessary officer, including a hearing examiner,  
1650 from within or without the department, to administer the disciplinary proceeding process.

1651 (ii) A hearing examiner appointed by the commission:

1652 (A) may conduct a disciplinary proceeding hearing on behalf of the commission; and

1653 (B) shall submit to the commission a report including:

1654 (I) findings of fact determined on the basis of a preponderance of the evidence  
1655 presented at the hearing;

1656 (II) conclusions of law; and

1657 (III) recommendations.

1658 (iii) A report of a hearing examiner under this Subsection (2)(b) may not recommend a  
1659 penalty more severe than that initially sought by the department in the notice of agency action.

1660 (iv) A copy of a hearing examiner report under this Subsection (2)(b) shall be served  
1661 upon the respective parties.

1662 (v) Before final commission action, the commission shall give a respondent and the  
1663 department reasonable opportunity to file a written objection to a hearing examiner report.

1664 (3) (a) The commission or an appointed hearing examiner shall preside over a  
1665 disciplinary proceeding hearing.

1666 (b) A disciplinary proceeding hearing may be closed only after the commission or  
1667 hearing examiner makes a written finding that the public interest in an open hearing is clearly  
1668 outweighed by factors enumerated in the closure order.

1669 (c) (i) The commission or ~~[its]~~ an appointed hearing examiner as part of a disciplinary  
1670 proceeding hearing may:

- 1671 (A) administer an oath or affirmation;
- 1672 (B) take evidence, including evidence provided in relation to an order to show cause
- 1673 the department issued in accordance with Section [32B-3-202](#);
- 1674 (C) take a deposition within or without this state; and
- 1675 (D) require by subpoena from a place within this state:
- 1676 (I) the testimony of a person at a hearing; and
- 1677 (II) the production of a record or other evidence considered relevant to the inquiry.
- 1678 (ii) A person subpoenaed in accordance with this Subsection (3)(c) shall testify and
- 1679 produce a record or tangible thing as required in the subpoena.
- 1680 (iii) A witness subpoenaed, called to testify, or called to produce evidence who claims
- 1681 a privilege against self-incrimination may not be compelled to testify, but the commission or
- 1682 the hearing examiner shall file a written report with the county attorney or district attorney in
- 1683 the jurisdiction where the privilege is claimed or where the witness resides setting forth the
- 1684 circumstance of the claimed privilege.
- 1685 (iv) (A) A person is not excused from obeying a subpoena without just cause.
- 1686 (B) A district court within the judicial district in which a person alleged to be guilty of
- 1687 willful contempt of court or refusal to obey a subpoena is found or resides, upon application by
- 1688 the party issuing the subpoena, may issue an order requiring the person to:
- 1689 (I) appear before the issuing party; and
- 1690 (II) (Aa) produce documentary evidence if so ordered; or
- 1691 (Bb) give evidence regarding the matter in question.
- 1692 (C) Failure to obey an order of the court may be punished by the court as contempt.
- 1693 (d) In a case heard by the commission, the commission shall issue its final decision and
- 1694 order in accordance with Subsection (2).
- 1695 (4) (a) The commission shall:
- 1696 (i) render a final decision and order on a disciplinary action; and
- 1697 (ii) cause its final order to be prepared in writing, issued, and served on all parties.
- 1698 (b) An order of the commission is final on the date the order is issued.
- 1699 (c) The commission, after the commission renders its final decision and order, may
- 1700 require the director to prepare, issue, and cause to be served on the parties the final written
- 1701 order on behalf of the commission.

1702 (5) (a) If a respondent requests a disciplinary proceeding hearing, the hearing held by  
1703 the commission or a hearing examiner appointed by the commission shall proceed formally in  
1704 accordance with Sections [63G-4-204](#) through [63G-4-209](#) if:

1705 (i) the alleged violation poses, or potentially poses, a grave risk to public safety, health,  
1706 and welfare;

1707 (ii) the alleged violation involves:

1708 (A) selling or furnishing an alcoholic product to a minor;

1709 (B) attire, conduct, or entertainment prohibited by Chapter 1, Part 5, Attire, Conduct,  
1710 and Entertainment Act;

1711 (C) fraud, deceit, willful concealment, or misrepresentation of the facts by or on behalf  
1712 of the respondent;

1713 (D) interfering or refusing to cooperate with:

1714 (I) an authorized official of the department or the state in the discharge of the official's  
1715 duties in relation to the enforcement of this title; or

1716 (II) a peace officer in the discharge of the peace officer's duties in relation to the  
1717 enforcement of this title;

1718 (E) an unlawful trade practice under Chapter 4, Part 7, Trade Practices Act;

1719 (F) unlawful importation of an alcoholic product; or

1720 (G) unlawful supply of liquor by a liquor industry member, as defined in Section  
1721 [32B-4-702](#), to a person other than the department or a military installation, except to the extent  
1722 permitted by this title; or

1723 (iii) the department determines to seek in a disciplinary proceeding hearing:

1724 (A) an administrative fine exceeding \$3,000;

1725 (B) a suspension of a license, permit, or certificate of approval of more than 10 days; or

1726 (C) a revocation of a license, permit, or certificate of approval.

1727 (b) If a respondent does not request a disciplinary proceeding hearing, a hearing shall  
1728 proceed informally unless it is designated as a formal proceeding pursuant to rules adopted by  
1729 the commission in accordance with Subsection (5)(c).

1730 (c) The commission shall make rules to provide a procedure to implement this  
1731 Subsection (5).

1732 (6) (a) If the department recommends nonrenewal of a license, the department shall



1733 notify the licensee of the recommendation at least 15 days before the commission takes action  
1734 on the nonrenewal.

1735 (b) Notwithstanding Subsection (2), the commission shall appoint a hearing examiner  
1736 to conduct an adjudicative hearing in accordance with this section if the licensee files a request  
1737 for a hearing within 10 days of receipt of the notice under Subsection (6)(a).

1738 Section 14. Section **32B-4-415** is amended to read:

1739 **32B-4-415. Unlawful bringing onto premises for consumption.**

1740 (1) Except as provided in Subsection (4) and [~~Subsection 32B-5-307(4)~~] Section  
1741 32B-5-307, a person may not bring an alcoholic product for on-premise consumption onto the  
1742 premises of:

1743 (a) a retail licensee or person required to be licensed under this title as a retail licensee;

1744 (b) an establishment that conducts a business similar to a retail licensee;

1745 (c) an event where an alcoholic product is sold, offered for sale, or furnished under a  
1746 single event permit or temporary beer event permit issued under this title;

1747 (d) an establishment open to the general public; or

1748 (e) the capitol hill complex.

1749 (2) Except as provided in Subsection (4) and [~~Subsection 32B-5-307(4)~~] Section

1750 32B-5-307, the following may not allow a person to bring onto its premises an alcoholic  
1751 product for on-premise consumption or allow consumption of an alcoholic product brought  
1752 onto its premises in violation of this section:

1753 (a) a retail licensee or a person required to be licensed under this title as a retail  
1754 licensee;

1755 (b) an establishment that conducts a business similar to a retail licensee;

1756 (c) a single event permittee or temporary beer event permittee;

1757 (d) an establishment open to the general public;

1758 (e) the State Capitol Preservation Board created in Section 63C-9-201; or

1759 (f) staff of a person listed in Subsections (2)(a) through (e).

1760 (3) Except as provided in Subsection (4)(c)(i)(A), a person may not consume an  
1761 alcoholic product in a limousine or chartered bus if the limousine or chartered bus drops off a  
1762 passenger at:

1763 (a) a location from which the passenger departs in a private vehicle; or

- 1764 (b) the capitol hill complex.
- 1765 (4) (a) A person may bring bottled wine onto the premises of the following and
- 1766 consume the wine pursuant to Section [32B-5-307](#):
- 1767 (i) a full-service restaurant licensee;
- 1768 (ii) a limited restaurant licensee;
- 1769 (iii) a bar establishment licensee; or
- 1770 (iv) a person operating under a resort spa sublicense.
- 1771 (b) A passenger of a limousine may bring onto, possess, and consume an alcoholic
- 1772 product in the limousine if:
- 1773 (i) the travel of the limousine begins and ends at:
- 1774 (A) the residence of the passenger;
- 1775 (B) the hotel of the passenger, if the passenger is a registered guest of the hotel; or
- 1776 (C) the temporary domicile of the passenger;
- 1777 (ii) the driver of the limousine is separated from the passengers by partition or other
- 1778 means approved by the department; and
- 1779 (iii) the limousine is not located on the capitol hill complex.
- 1780 (c) A passenger of a chartered bus may bring onto, possess, and consume an alcoholic
- 1781 product on the chartered bus:
- 1782 (i) (A) but may consume only during travel to a specified destination of the chartered
- 1783 bus and not during travel back to the place where the travel begins; or
- 1784 (B) if the travel of the chartered bus begins and ends at:
- 1785 (I) the residence of the passenger;
- 1786 (II) the hotel of the passenger, if the passenger is a registered guest of the hotel; or
- 1787 (III) the temporary domicile of the passenger;
- 1788 (ii) if the chartered bus has a nondrinking designee other than the driver traveling on
- 1789 the chartered bus to monitor consumption; and
- 1790 (iii) if the chartered bus is not located on the capitol hill complex.
- 1791 (5) A person may bring onto any premises, possess, and consume an alcoholic product
- 1792 at a private event.
- 1793 (6) Notwithstanding Subsection (5), private and public facilities may prohibit the
- 1794 possession or consumption of alcohol on their premises.

1795 (7) The restrictions of Subsections (2) and (3) apply to a resort licensee or hotel  
 1796 licensee or person operating under a sublicense in relationship to:

1797 (a) the boundary of a resort building, as defined in Section [32B-8-102](#), or the boundary  
 1798 of a hotel, as defined in Section [32B-8b-102](#), in an area that is open to the public; or

1799 (b) except as provided in Subsection (4), [~~a sublicense~~] sublicensed premises.

1800 Section 15. Section ~~32B-4-422~~ is amended to read:

1801 **32B-4-422. Unlawful dispensing.**

1802 [~~(1) For purposes of this section:~~]

1803 [~~(a) "Primary spirituous liquor" means the main distilled spirit in a beverage.]~~

1804 [~~(b) "Primary spirituous liquor" does not include a secondary alcoholic product used as  
 1805 a flavoring in conjunction with the primary distilled spirit in a beverage.]~~

1806 [~~(2)~~] (1) A retail licensee licensed under this title to sell, offer for sale, or furnish  
 1807 spirituous liquor for consumption on the licensed premises, or staff of the retail licensee may  
 1808 not:

1809 (a) sell, offer for sale, or furnish a primary spirituous liquor to a person on the licensed  
 1810 premises except in a quantity that does not exceed 1.5 ounces per beverage dispensed through a  
 1811 calibrated metered dispensing system approved by the department;

1812 (b) sell, offer for sale, or furnish more than a total of 2.5 ounces of spirituous liquor per  
 1813 beverage;

1814 (c) allow a person on the licensed premises to have more than a total of 2.5 ounces of  
 1815 spirituous liquor at a time; or

1816 (d) (i) except as provided in Subsection [~~(2)~~] (1)(d)(ii), allow a person to have more  
 1817 than two spirituous liquor beverages at a time; or

1818 (ii) allow a person on the premises of the following to have more than one spirituous  
 1819 liquor beverage at a time:

1820 (A) a full-service restaurant licensee;

1821 (B) a person operating under a full-service restaurant sublicense;

1822 (C) an on-premise banquet licensee;

1823 (D) a person operating under an on-premise banquet sublicense; or

1824 (E) a single event permittee.

1825 [~~(3)~~] (2) A violation of this section is a class C misdemeanor.

1826 Section 16. Section **32B-5-201** is amended to read:

1827 **32B-5-201. Application requirements for retail license.**

1828 (1) (a) Before a person may store, sell, offer for sale, furnish, or permit consumption of  
1829 an alcoholic product on licensed premises as a retail licensee, the person shall first obtain a  
1830 retail license issued by the commission, notwithstanding whether the person holds a local  
1831 license or a permit issued by a local authority.

1832 (b) Violation of this Subsection (1) is a class B misdemeanor.

1833 (2) To obtain a retail license under this title, a person shall submit to the department:

1834 (a) a written application in a form prescribed by the department;

1835 (b) a nonrefundable application fee in the amount specified in the relevant ~~[part under~~  
1836 ~~Chapter 6, Specific Retail License Act,]~~ chapter or part for the type of retail license for which  
1837 the person is applying;

1838 (c) an initial license fee:

1839 (i) in the amount specified in the relevant ~~[part under Chapter 6, Specific Retail~~  
1840 ~~License Act,]~~ chapter or part for the type of retail license for which the person is applying; and

1841 (ii) that is refundable if a retail license is not issued;

1842 (d) written consent of the local authority, including, if applicable, consent for each  
1843 proposed sublicense;

1844 (e) a copy of:

1845 (i) the person's current business license; and

1846 (ii) if the person is applying for a principal license, the current business license for each  
1847 proposed sublicense, except if the relevant political subdivision determines that the business  
1848 license for a proposed sublicense is included in the person's current business license;

1849 (f) evidence of the proposed retail licensee's proximity to any community location, with  
1850 proximity requirements being governed by Section [32B-1-202](#);

1851 (g) a bond as specified by Section [32B-5-204](#);

1852 (h) a floor plan, and boundary map where applicable, of the premises of the retail  
1853 license and each, if any, accompanying sublicense, including any:

1854 (i) consumption area; and

1855 (ii) area where the person proposes to store, sell, offer for sale, or furnish an alcoholic  
1856 beverage;

- 1857 (i) evidence that the retail licensee ~~[is carrying]~~ carries public liability insurance in an  
1858 amount and form satisfactory to the department;
- 1859 (j) evidence that the retail licensee ~~[is carrying]~~ carries dramshop insurance coverage of  
1860 at least:
- 1861 (i) \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- 1862 (ii) if the retail licensee is a hotel licensee or a resort licensee, \$1,000,000 per  
1863 occurrence and \$2,000,000 in the aggregate to cover both the principal license and all  
1864 accompanying sublicenses; or
- 1865 (iii) if the retail licensee is an arena licensee, \$10,000,000 per occurrence and  
1866 \$20,000,000 in the aggregate to cover both the arena license and all accompanying sublicenses.
- 1867 (k) a signed consent form stating that the retail licensee will permit any authorized  
1868 representative of the commission, department, or any law enforcement officer to have  
1869 unrestricted right to enter:
- 1870 (i) the premises of the retail licensee; and
- 1871 (ii) if applicable, the premises of each of the retail licensee's accompanying  
1872 sublicenses;
- 1873 (l) if the person is an entity, proper verification evidencing that a person who signs the  
1874 application is authorized to sign on behalf of the entity;
- 1875 (m) a responsible alcohol service plan; and
- 1876 (n) any other information the commission or department may require.
- 1877 (3) The commission may not issue a retail license to a person who:
- 1878 (a) is disqualified under Section 32B-1-304; or
- 1879 (b) is not lawfully present in the United States.
- 1880 (4) Unless otherwise provided in the relevant ~~[part under Chapter 6, Specific Retail~~  
1881 ~~License Act,]~~ chapter or part for the type of retail license for which the person is applying, the  
1882 commission may not issue a retail license to a person if the proposed licensed premises does  
1883 not meet the proximity requirements of Section 32B-1-202.
- 1884 Section 17. Section 32B-5-202 is amended to read:
- 1885 **32B-5-202. Renewal requirements.**
- 1886 (1) A retail license expires each year on the day specified in the relevant ~~[part under~~  
1887 ~~Chapter 6, Specific Retail License Act,]~~ chapter or part for that type of retail license.

1888 (2) (a) To renew a person's retail license, a retail licensee shall, by no later than the day  
1889 specified in the relevant [~~part under Chapter 6, Specific Retail License Act,~~] chapter or part for  
1890 the type of retail license that [~~is being renewed~~] the person seeks to renew, submit:

1891 (i) a completed renewal application in a form prescribed by the department; and

1892 (ii) a renewal fee in the amount specified in the relevant [~~part under Chapter 6, Specific~~  
1893 ~~Retail License Act,~~] chapter or part for the type of retail license that [~~is being renewed~~] the  
1894 person seeks to renew.

1895 (b) A retail licensee shall submit a responsible alcohol service plan as part of the retail  
1896 licensee's renewal application if, since the retail licensee's most recent application or renewal,  
1897 the retail licensee:

1898 (i) made substantial changes to the retail licensee's responsible alcohol service plan; or

1899 (ii) violated a provision of this chapter.

1900 (c) The department may audit a retail licensee's responsible alcohol service plan.

1901 (3) Failure to meet the renewal requirements results in an automatic forfeiture of the  
1902 retail license effective on the [~~date~~] day on which the existing retail license expires.

1903 Section 18. Section **32B-5-203** is amended to read:

1904 **32B-5-203. Commission and department duties before issuing a retail license.**

1905 (1) (a) Before the commission may issue a retail license, the department shall conduct  
1906 an investigation and may hold public hearings to gather information and make  
1907 recommendations to the commission as to whether a retail license and, if applicable, each  
1908 accompanying sublicense should be issued.

1909 (b) The department shall forward the information and recommendations described in  
1910 Subsection (1)(a) to the commission to aid in the commission's determination.

1911 (2) Before issuing a retail license, the commission shall:

1912 (a) determine that the person filed a complete application and is in compliance with:

1913 (i) Section **32B-5-201**; and

1914 (ii) the specific licensing requirements specified in the relevant [~~part under Chapter 6,~~  
1915 ~~Specific Retail License Act,~~] chapter or part for the type of retail license for which the person is  
1916 applying;

1917 (b) determine that the person and, if applicable, each of the person's accompanying  
1918 sublicenses is not disqualified under Section **32B-1-304**;

- 1919 (c) consider the locality within which the proposed licensed premises and, if  
1920 applicable, each proposed sublicensed premises is located, including:
- 1921 (i) physical characteristics such as:
- 1922 (A) condition of the licensed or sublicensed premises;
- 1923 (B) square footage; and
- 1924 (C) parking availability; and
- 1925 (ii) operational factors such as:
- 1926 (A) tourist traffic;
- 1927 (B) demographics;
- 1928 (C) population to be served;
- 1929 (D) proximity to and density of other state stores, package agencies, and retail  
1930 licensees; and
- 1931 (E) the extent of and proximity to any community location;
- 1932 (d) consider the person's ability to manage and operate a retail license, and if applicable  
1933 the ability of each individual who will act in a supervisory or managerial capacity for each  
1934 accompanying sublicense to supervise or manage a sublicense, of the type for which the person  
1935 is applying, including:
- 1936 (i) management experience;
- 1937 (ii) past retail alcoholic product experience; and
- 1938 (iii) the type of management scheme to be used by the retail licensee or accompanying  
1939 sublicensee;
- 1940 (e) consider the nature or type of retail licensee operation, and if applicable each  
1941 proposed accompanying sublicensee's operation, of the proposed retail licensee, including:
- 1942 (i) the type of menu items that will be offered and emphasized;
- 1943 (ii) whether the retail licensee or the retail licensee's accompanying sublicensee will  
1944 emphasize service to an adult clientele or to minors;
- 1945 (iii) the proposed hours of operation;
- 1946 (iv) the seating capacity of the premises; and
- 1947 (v) the estimated gross sales of food items; and
- 1948 (f) consider any other factor the commission considers necessary.
- 1949 (3) The commission shall determine whether an applicant under this section has an

1950 adequate kitchen or culinary facilities by considering:

1951 (a) the type of retail license or sublicense for which the person is applying;

1952 (b) the purpose of the proposed retail license or sublicense; and

1953 (c) the locality within which the proposed licensed or sublicensed premises is located.

1954 Section 19. Section **32B-5-204** is amended to read:

1955 **32B-5-204. Bond for retail license.**

1956 (1) (a) A retail licensee shall post a cash bond or surety bond:

1957 (i) in the amount specified in the relevant [~~part under Chapter 6, Specific Retail~~  
1958 ~~License Act,~~] chapter or part for the type of retail license for which the person is applying; and

1959 (ii) payable to the department.

1960 (b) A retail licensee shall procure and maintain the bond required under this section for  
1961 as long as the retail licensee continues to operate as a retail licensee.

1962 (2) A bond required under this section shall be:

1963 (a) in a form approved by the attorney general; and

1964 (b) conditioned upon the retail licensee's faithful compliance with this title and the  
1965 rules of the commission.

1966 (3) (a) If a surety bond posted by a retail licensee under this section is canceled due to  
1967 the retail licensee's negligence, the department may assess a \$300 reinstatement fee.

1968 (b) No part of a bond posted by a retail licensee under this section may be withdrawn:

1969 (i) during the period the retail license is in effect; or

1970 (ii) while a revocation proceeding is pending against the retail licensee.

1971 (4) (a) A bond posted under this section by a retail licensee may be forfeited if the  
1972 retail license is revoked.

1973 (b) Notwithstanding Subsection (4)(a), the department may make a claim against a  
1974 bond posted by a retail licensee for money owed the department under this title without the  
1975 commission first revoking the retail license.

1976 Section 20. Section **32B-5-207** is amended to read:

1977 **32B-5-207. Multiple retail licenses on same premises.**

1978 (1) As used in this section, [~~"sublicense premises" means the same as that term is~~  
1979 ~~defined in Sections 32B-8-102 and 32B-8b-102.;~~] "license" means:

1980 (a) a retail license; and



1981 (b) a sublicense.

1982 (2) ~~[(a) The]~~ Except as provided in Subsection (3), the commission may not issue and  
 1983 one or more licensees may not hold more than one type of [retail] license for the same  
 1984 premises.

1985 ~~[(b)]~~ (3) (a) ~~[Notwithstanding Subsection (2)(a), the]~~ The commission may issue and  
 1986 one or more licensees may hold more than one type of [retail] license for the same premises if:

1987 (i) the applicant or licensee satisfies the requirements for each [retail] license;

1988 (ii) the types of [retail] licenses issued or held are two or more of the following:

1989 (A) a restaurant license;

1990 (B) an on-premise beer retailer license that is not a tavern; [and]

1991 (C) an on-premise banquet license or a reception center license; and

1992 (D) a hospitality amenity sublicense; and

1993 (iii) the [retail] licenses do not operate at the same time on the same day.

1994 (b) The commission may issue and two or more restaurant licensees may share an area  
 1995 of each restaurant licensee's licensed premises designated for alcoholic beverage consumption,  
 1996 if:

1997 (i) the applicants or licensees satisfy the requirements for each license; and

1998 (ii) the only shared premises between the issued or held restaurant licenses is the area  
 1999 for alcoholic beverage consumption.

2000 (c) The commission may issue and two or more licensees may share a kitchen or  
 2001 culinary facilities located in or on one or more of the licensee's licensed premises, if:

2002 (i) the types of licenses issued or held are two or more sublicenses of a principal  
 2003 licensee:

2004 (A) one of which is an on-premise banquet sublicense; and

2005 (B) one of which is a restaurant license that is a sublicense, an on-premise beer retailer  
 2006 sublicense that is not a tavern, or a bar sublicense; or

2007 (ii) (A) the same person applies for or holds each license;

2008 (B) the licensed premises are each owned or leased by the same person and located in  
 2009 the same building; and

2010 (C) the only shared premises between the issued or held licenses is the kitchen or  
 2011 culinary facilities area, including any pathway necessary to transport an item to and from the

2012 area.

2013 ~~[(3)]~~ (4) When one or more licensees hold more than one type of ~~[retail]~~ license for the  
2014 same premises under Subsection ~~[(2)(b)]~~ (3)(a), the one or more licensees shall post in a  
2015 conspicuous location at the entrance of the room a sign that:

- 2016 (a) measures 8-1/2 inches by 11 inches; and
- 2017 (b) states whether the premises is currently operating as:
  - 2018 (i) a restaurant;
  - 2019 (ii) an on-premise beer retailer that is not a tavern; ~~[or]~~
  - 2020 (iii) a banquet or a reception center~~[-];~~ or
  - 2021 (iv) a hospitality amenity.

2022 (5) When two or more restaurant licensees share an area of each restaurant licensee's  
2023 licensed premises designated for alcoholic beverage consumption in accordance with  
2024 Subsection (3)(b), each licensee shall:

- 2025 (a) maintain control over the licensee's patrons; and
- 2026 (b) use a visual marker to clearly identify which licensee served each patron.

2027 ~~[(4)]~~ (6) (a) ~~[The]~~ For purposes of Subsection (3)(a), the commission may not issue and  
2028 one or more licensees may not hold a bar license or a tavern license in the same room as a  
2029 restaurant license.

2030 (b) For purposes of Subsection ~~[(4)]~~ (6)(a), two licenses are not considered in the same  
2031 room if:

- 2032 (i) each shared permanent wall between the premises licensed as a bar or a tavern and  
2033 the premises licensed as a restaurant measures at least eight feet high;
- 2034 (ii) the premises for each license has a separate entryway that does not require a patron  
2035 to pass through the premises licensed as a bar or a tavern to access the premises licensed as a  
2036 restaurant; and
- 2037 (iii) if a patron must pass through the premises licensed as a restaurant to access the  
2038 entryway to the premises licensed as a bar or a tavern, a patron on the premises licensed as a  
2039 restaurant cannot see a dispensing structure on the premises licensed as a bar or a tavern.

2040 ~~[(5)(a) If, on May 9, 2017, one or more licensees hold more than one type of retail~~  
2041 ~~license in violation of Subsection (2) or (4), the one or more licensees may operate under the~~  
2042 ~~different types of retail licenses through June 30, 2018.]~~

2043           ~~[(b) A licensee may not operate in violation of Subsection (2) or (4) on or after July 1,~~  
2044 ~~2018.]~~

2045           ~~[(c) Before July 1, 2018, each licensee described in Subsection (5)(a) shall notify the~~  
2046 ~~commission of each retail license that the licensee will surrender effective July 1, 2018, to~~  
2047 ~~comply with the provisions of Subsection (2) or (4).]~~

2048           ~~[(6)]~~ (7) (a) The commission may issue more than one type of sublicense to a resort  
2049 licensed under Chapter 8, Resort License Act, or a hotel licensed under Chapter 8b, Hotel  
2050 License Act, for the same room if the [~~sublicense~~] sublicensed premises are clearly delineated  
2051 by one or more permanent physical structures, such as a wall or other architectural feature, that  
2052 separate the [~~sublicense~~] sublicensed premises.

2053           (b) A patron may not transport an alcoholic beverage between two [~~sublicense~~]  
2054 sublicensed premises located in the same room in accordance with Subsection ~~[(6)]~~ (7)(a).

2055           (c) Notwithstanding any provision to the contrary, a minor may momentarily pass  
2056 through a [~~sublicense~~] sublicensed premises that is a bar to reach another location where a  
2057 minor may lawfully be, if there is no practical alternative route to the location.

2058           Section 21. Section **32B-5-301** is amended to read:

2059           **32B-5-301. General operational requirements.**

2060           (1) (a) A retail licensee and staff of a retail licensee shall comply with this title and the  
2061 rules of the commission, including the relevant [~~part under Chapter 6, Specific Retail License~~  
2062 ~~Act,]~~ chapter or part for the specific type of retail license.

2063           (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2064 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2065           (i) a retail licensee;

2066           (ii) individual staff of a retail licensee; or

2067           (iii) both a retail licensee and staff of the retail licensee.

2068           (2) (a) If there is a conflict between this part and the relevant [~~part under Chapter 6,~~  
2069 ~~Specific Retail License Act,]~~ chapter or part for the specific type of retail license, the relevant  
2070 [~~part under Chapter 6, Specific Retail License Act,]~~ chapter or part for the specific type of retail  
2071 license governs.

2072           (b) Notwithstanding that this part refers to "liquor" or an "alcoholic product," a retail  
2073 licensee may only sell, offer for sale, furnish, or allow the consumption of an alcoholic product

2074 specifically authorized by the relevant [~~part under Chapter 6, Specific Retail License Act~~]  
2075 chapter or part for the retail licensee's specific type of retail license.

2076 (c) Notwithstanding that this part or the relevant [~~part under Chapter 6, Specific Retail~~  
2077 ~~License Act,~~] chapter or part for a specific retail licensee refers to "retail licensee," staff of the  
2078 retail licensee is subject to the same requirement or prohibition.

2079 (3) (a) A retail licensee shall display in a prominent place in the licensed premises the  
2080 retail license that is issued by the department.

2081 (b) A retail licensee shall display in a prominent place a sign in large letters that  
2082 consists of text in the following order:

2083 (i) a header that reads: "WARNING";

2084 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy  
2085 can cause birth defects and permanent brain damage for the child.";

2086 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at  
2087 [insert most current toll-free number] with questions or for more information.";

2088 (iv) a header that reads: "WARNING"; and

2089 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a  
2090 serious crime that is prosecuted aggressively in Utah."

2091 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different  
2092 font style than the text described in Subsections (3)(b)(iv) and (v).

2093 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the  
2094 same font size.

2095 (d) The Department of Health shall work with the commission and department to  
2096 facilitate consistency in the format of a sign required under this section.

2097 (4) A retail licensee may not on the licensed premises:

2098 (a) engage in or permit any form of gambling, as defined and proscribed in Title 76,  
2099 Chapter 10, Part 11, Gambling;

2100 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,  
2101 Part 11, Gambling; or

2102 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires  
2103 the risking of something of value for a return or for an outcome when the return or outcome is  
2104 based upon an element of chance, excluding the playing of an amusement device that confers

2105 only an immediate and unrecorded right of replay not exchangeable for value.

2106 (5) A retail licensee may not knowingly allow a person on the licensed premises to, in  
2107 violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug  
2108 Paraphernalia Act:

2109 (a) sell, distribute, possess, or use a controlled substance, as defined in Section  
2110 [58-37-2](#); or

2111 (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in  
2112 Section [58-37a-3](#).

2113 (6) Upon the presentation of credentials, at any time during which a retail licensee is  
2114 open for the transaction of business, the retail licensee shall immediately:

2115 (a) admit a commissioner, authorized department employee, or law enforcement officer  
2116 to the retail licensee's premises; and

2117 (b) permit, without hindrance or delay, the person described in Subsection (6)(a) to  
2118 inspect completely:

2119 (i) the entire premises of the retail licensee; and

2120 (ii) the records of the retail licensee.

2121 (7) An individual may not consume an alcoholic product on the licensed premises of a  
2122 retail licensee on any day during the period:

2123 (a) beginning one hour after the time of day that the period during which a retail  
2124 licensee may not sell, offer for sale, or furnish an alcoholic product on the licensed premises  
2125 begins; and

2126 (b) ending at the time specified in the relevant ~~[part under Chapter 6, Specific Retail~~  
2127 ~~License Act,]~~ chapter or part for the retail licensee's specific type of retail license when the  
2128 retail licensee may first sell, offer for sale, or furnish an alcoholic product on the licensed  
2129 premises on that day.

2130 (8) ~~[(a)]~~ An employee of a retail licensee who sells, offers for sale, or furnishes an  
2131 alcoholic product to a patron shall wear an identification badge.

2132 ~~[(b)]~~ (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
2133 Act, the commission shall make rules;

2134 (a) related to the requirement described in Subsection (8)~~[(a)]~~; and

2135 (b) for dispensing systems and dispensing areas of restaurant licensees, bar licensees,

2136 and taverns, establishing standards:

2137 (i) in accordance with the provisions of this title; and

2138 (ii) prohibiting a dispensing system to remain at a patron's table.

2139 Section 22. Section **32B-5-307** is amended to read:

2140 **32B-5-307. Bringing alcoholic product onto or removing alcoholic product from**  
2141 **premises.**

2142 (1) Except as provided in [~~Subsection (3)~~] Subsections (3) through (5):

2143 (a) A person may not bring onto the licensed premises of a retail licensee an alcoholic  
2144 product for on-premise consumption.

2145 (b) A retail licensee may not allow a person to:

2146 (i) bring onto licensed premises an alcoholic product for on-premise consumption; or

2147 (ii) consume an alcoholic product brought onto the licensed premises by a person other  
2148 than the retail licensee.

2149 (c) A retail licensee may not sell, offer for sale, or furnish an alcoholic product through  
2150 a window or door to a location off the licensed premises or to a vehicular traffic area.

2151 (2) Except as provided in Subsections (3)[~~, (4),~~] through (5) and **32B-4-415(5)**:

2152 (a) a person may not carry from a licensed premises of a retail licensee an open  
2153 container that:

2154 (i) is used primarily for drinking purposes; and

2155 (ii) contains an alcoholic product;

2156 (b) a retail licensee may not permit a patron to carry from the licensed premises an  
2157 open container described in Subsection (2)(a); and

2158 (c) (i) a person may not carry from a licensed premises of a retail licensee a sealed  
2159 container of liquor that has been purchased from the retail licensee; and

2160 (ii) a retail licensee may not permit a patron to carry from the licensed premises a  
2161 sealed container of liquor that has been purchased from the retail licensee.

2162 (3) (a) A patron may bring a bottled wine onto the premises of a retail licensee for  
2163 on-premise consumption if:

2164 (i) permitted by the retail licensee; and

2165 (ii) the retail licensee is authorized to sell, offer for sale, or furnish wine.

2166 (b) If a patron carries bottled wine onto the licensed premises of a retail licensee, the

2167 patron shall deliver the bottled wine to a server or other representative of the retail licensee  
2168 upon entering the licensed premises.

2169 (c) A retail licensee authorized to sell, offer for sale, or furnish wine, may provide a  
2170 wine service for a bottled wine carried onto the licensed premises in accordance with this  
2171 Subsection (3) or a bottled wine purchased at the licensed premises.

2172 (d) A patron may remove from a licensed premises the unconsumed contents of a bottle  
2173 of wine purchased at the licensed premises, or brought onto the licensed premises in  
2174 accordance with this Subsection (3), only if before removal the bottle is recorked or recapped.

2175 ~~[(4) A patron may transport beer between the premises of an on-premise banquet  
2176 license and an on-premise beer retailer license that is not a tavern, and consume the beer on  
2177 either licensed premises, if the licensed premises are:]~~

2178 ~~[(a) immediately adjacent to one another; and]~~

2179 ~~[(b) located in a sports center that has a seating capacity of at least 6,500.]~~

2180 (4) A patron may transport beer between the sublicensed premises of an arena  
2181 licensee's accompanying sublicenses, if the patron transports the beer from and to an area of  
2182 each sublicensed premises:

2183 (a) that is adjacent to the other; and

2184 (b) where the consumption of beer is permitted.

2185 (5) Neither a patron nor a retail licensee violates this section if:

2186 (a) the patron is in shared seating; and

2187 (b) the patron purchased the patron's alcoholic beverage from a restaurant licensee  
2188 whose licensed premises include the shared seating area the patron is in.

2189 Section 23. Section **32B-6-406** is amended to read:

2190 **32B-6-406. Specific operational requirements for a bar establishment license.**

2191 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2192 Requirements, a bar establishment licensee and staff of the bar establishment licensee shall  
2193 comply with this section.

2194 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2195 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2196 (i) a bar establishment licensee;

2197 (ii) individual staff of a bar establishment licensee; or

- 2198 (iii) both a bar establishment licensee and staff of the bar establishment licensee.
- 2199 (2) In addition to complying with Subsection 32B-5-301(3), a bar licensee shall display
- 2200 in a conspicuous place at the entrance to the licensed premises a sign that:
- 2201 (a) measures at least 8-1/2 inches long and 11 inches wide; and
- 2202 (b) clearly states that the bar licensee is a bar and that no one under 21 years of age is
- 2203 allowed.
- 2204 (3) (a) In addition to complying with Section 32B-5-302, a bar establishment licensee
- 2205 shall maintain for a minimum of three years:
- 2206 (i) a record required by Section 32B-5-302; and
- 2207 (ii) a record maintained or used by the bar establishment licensee, as the department
- 2208 requires.
- 2209 (b) Section 32B-1-205 applies to a record required to be made, maintained, or used in
- 2210 accordance with this Subsection (3).
- 2211 (c) The department shall audit the records of a bar establishment licensee at least once
- 2212 annually.
- 2213 (4) (a) A bar establishment licensee may not sell, offer for sale, or furnish liquor on the
- 2214 licensed premises on any day during a period that:
- 2215 (i) begins at 1 a.m.; and
- 2216 (ii) ends at 9:59 a.m.
- 2217 (b) A bar establishment licensee may sell, offer for sale, or furnish beer during the
- 2218 hours specified in Part 7, On-Premise Beer Retailer License, for an on-premise beer retailer
- 2219 license.
- 2220 (c) (i) Notwithstanding Subsections (4)(a) and (b), a bar establishment licensee shall
- 2221 keep its licensed premises open for one hour after the bar establishment licensee ceases the sale
- 2222 and furnishing of an alcoholic product during which time a patron of the bar establishment
- 2223 licensee may finish consuming:
- 2224 (A) a single drink containing spirituous liquor;
- 2225 (B) a single serving of wine not exceeding five ounces;
- 2226 (C) a single serving of heavy beer;
- 2227 (D) a single serving of beer not exceeding 26 ounces; or
- 2228 (E) a single serving of a flavored malt beverage.



- 2229 (ii) A bar establishment licensee is not required to remain open:  
 2230 (A) after all patrons have vacated the premises; or  
 2231 (B) during an emergency.
- 2232 (5) (a) A minor:  
 2233 (i) may not be admitted into, use, or be in ~~[(i) a lounge or bar area of the premises of:~~  
 2234 ~~(A) an equity licensee; (B) a fraternal licensee; or (C) a dining club licensee; or (ii)]~~ the  
 2235 licensed premises of:
- 2236 (A) a dining club licensee unless accompanied by an individual who is 21 years of age  
 2237 or older; or  
 2238 (B) a bar licensee, except to the extent provided for under Section [32B-6-406.1](#) ~~[-];~~  
 2239 (ii) may only be admitted into, use, or be in the lounge or bar area of an equity  
 2240 licensee's or fraternal licensee's licensed premises:
- 2241 (A) when accompanied by an individual who is 21 years of age or older; and  
 2242 (B) momentarily while en route to another area of the licensee's premises; and  
 2243 (iii) may not remain or sit in the lounge or bar area of an equity licensee's or fraternal  
 2244 licensee's licensed premises.
- 2245 (b) Notwithstanding Section [32B-5-308](#), a bar establishment licensee may not employ a  
 2246 minor to:  
 2247 (i) work in a lounge or bar area of an equity licensee, fraternal licensee, or dining club  
 2248 licensee; or  
 2249 (ii) handle an alcoholic product.
- 2250 (c) Notwithstanding Section [32B-5-308](#), a minor may not be employed on the licensed  
 2251 premises of a bar licensee.
- 2252 (d) Nothing in this part or Section [32B-5-308](#) precludes a local authority from being  
 2253 more restrictive of a minor's admittance to, use of, or presence on the licensed premises of a bar  
 2254 establishment licensee.
- 2255 (6) A bar establishment licensee shall have food available at all times when an  
 2256 alcoholic product is sold, offered for sale, furnished, or consumed on the licensed premises.
- 2257 (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have  
 2258 more than two alcoholic products of any kind at a time before the patron.
- 2259 (b) A patron may not have two spirituous liquor drinks before the bar establishment

2260 licensee patron if one of the spirituous liquor drinks consists only of the primary spirituous  
2261 liquor for the other spirituous liquor drink.

2262 (c) An individual portion of wine is considered to be one alcoholic product under  
2263 Subsection (7)(a).

2264 (8) A bar establishment licensee shall have available on the premises for a patron to  
2265 review at the time that the patron requests it, a written alcoholic product price list or a menu  
2266 containing the price of an alcoholic product sold, offered for sale, or furnished by the bar  
2267 establishment licensee including:

2268 (a) a set-up charge;

2269 (b) a service charge; or

2270 (c) a chilling fee.

2271 (9) Subject to Section [32B-5-309](#), a bar establishment licensee may not temporarily  
2272 rent or otherwise temporarily lease its premises to a person unless:

2273 (a) the person to whom the bar establishment licensee rents or leases the premises  
2274 agrees in writing to comply with this title as if the person is the bar establishment licensee,  
2275 except for a requirement related to making or maintaining a record; and

2276 (b) the bar establishment licensee takes reasonable steps to ensure that the person  
2277 complies with this section as provided in Subsection (9)(a).

2278 (10) If a bar establishment licensee is an equity licensee or fraternal licensee, the bar  
2279 establishment licensee shall comply with Section [32B-6-407](#).

2280 (11) If a bar establishment licensee is a dining club licensee or bar licensee, the bar  
2281 establishment licensee shall comply with Section [32B-1-407](#).

2282 (12) (a) A bar establishment licensee shall own or lease premises suitable for the bar  
2283 establishment licensee's activities.

2284 (b) A bar establishment licensee may not maintain licensed premises in a manner that  
2285 barricades or conceals the bar establishment licensee's operation.

2286 Section 24. Section **32B-6-603** is amended to read:

2287 **32B-6-603. Commission's power to issue on-premise banquet license -- Contracts**  
2288 **as host.**

2289 (1) (a) Before a person may store, sell, offer for sale, furnish, or allow the consumption  
2290 of an alcoholic product in connection with the person's banquet and room service activities at

2291 one of the following, the person shall first obtain an on-premise banquet license in accordance  
2292 with this part:

- 2293 (i) a hotel;
- 2294 (ii) a resort facility;
- 2295 (iii) a sports center;
- 2296 (iv) a convention center; [~~or~~]
- 2297 (v) a performing arts facility[~~;~~]; or
- 2298 (vi) an arena.

2299 (b) This part does not prohibit an alcoholic product on the premises of a person listed  
2300 in Subsection (1)(a) to the extent otherwise permitted by this title.

2301 (c) This section does not prohibit a person who applies for an on-premise banquet  
2302 license to also apply for a package agency if otherwise qualified.

2303 (2) The commission may issue an on-premise banquet license to establish on-premise  
2304 banquet licensees in the numbers the commission considers proper for the storage, sale, offer  
2305 for sale, furnishing, and consumption of an alcoholic product at a banquet or as part of room  
2306 service activities operated by an on-premise banquet licensee.

2307 (3) Subject to Section [32B-1-201](#), the commission may not issue a total number of  
2308 on-premise banquet licenses that at any time exceed the number determined by dividing the  
2309 population of the state by 28,765.

2310 (4) Pursuant to a contract between the host of a banquet and an on-premise banquet  
2311 licensee:

2312 (a) the host of the banquet may request an on-premise banquet licensee to provide an  
2313 alcoholic product served at the banquet; and

2314 (b) an on-premise banquet licensee may provide an alcoholic product served at the  
2315 banquet.

2316 (5) At a banquet, an on-premise banquet licensee may furnish an alcoholic product:

2317 (a) without charge to a patron at a banquet, except that the host of the banquet shall pay  
2318 for an alcoholic product furnished at the banquet; or

2319 (b) with a charge to a patron at the banquet.

2320 (6) To be licensed as an on-premise banquet, a person shall maintain at least 50% of  
2321 the person's total annual banquet gross receipts from the sale of food, which does not include:

2322 (a) mix for an alcoholic product; or

2323 (b) a charge in connection with the furnishing of an alcoholic product.

2324 Section 25. Section **32B-6-605** is amended to read:

2325 **32B-6-605. Specific operational requirements for on-premise banquet license.**

2326 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2327 Requirements, an on-premise banquet licensee and staff of the on-premise banquet licensee  
2328 shall comply with this section.

2329 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2330 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2331 (i) an on-premise banquet licensee;

2332 (ii) individual staff of an on-premise banquet licensee; or

2333 (iii) both an on-premise banquet licensee and staff of the on-premise banquet licensee.

2334 (2) An on-premise banquet licensee shall comply with Subsections **32B-5-301**(4) and  
2335 (5) for the entire premises of the hotel, resort facility, sports center, convention center, or  
2336 performing arts facility that is the basis for the on-premise banquet license.

2337 (3) (a) For the purpose described in Subsection (3)(b), an on-premise banquet licensee  
2338 shall provide the department with advance notice of a scheduled banquet in accordance with  
2339 rules made by the commission.

2340 (b) Any of the following may conduct a random inspection of a banquet:

2341 (i) an authorized representative of the commission or the department; or

2342 (ii) a law enforcement officer.

2343 (4) (a) An on-premise banquet licensee is not subject to Section **32B-5-302**, but shall  
2344 make and maintain the records the commission or department requires.

2345 (b) Section **32B-1-205** applies to a record required to be made or maintained in  
2346 accordance with this Subsection (4).

2347 (5) (a) Except as otherwise provided in this title, an on-premise banquet licensee may  
2348 sell, offer for sale, or furnish an alcoholic product at a banquet only for consumption at the  
2349 location of the banquet.

2350 (b) Except as provided in [~~Subsection~~] Subsections **32B-5-307**(4) and (5), a host of a  
2351 banquet, a patron, or a person other than the on-premise banquet licensee or staff of the  
2352 on-premise banquet licensee, may not remove an alcoholic product from the premises of the

2353 banquet.

2354 (c) Notwithstanding Subsection [32B-5-307\(3\)](#) and except as provided in [~~Subsection~~  
2355 Subsections [32B-5-307\(4\)](#) and [\(5\)](#)], a patron at a banquet may not bring an alcoholic product  
2356 into or onto, or remove an alcoholic product from, the premises of a banquet.

2357 (6) (a) An on-premise banquet licensee may not leave an unsold alcoholic product at  
2358 the banquet following the conclusion of the banquet.

2359 (b) At the conclusion of a banquet, an on-premise banquet licensee shall:

2360 (i) destroy an opened and unused alcoholic product that is not saleable, under  
2361 conditions established by the department; and

2362 (ii) return to the on-premise banquet licensee's approved locked storage area any:

2363 (A) opened and unused alcoholic product that is saleable; and

2364 (B) unopened container of an alcoholic product.

2365 (c) Except as provided in Subsection (6)(b) with regard to an open or sealed container  
2366 of an alcoholic product not sold or consumed at a banquet, an on-premise banquet licensee:

2367 (i) shall store the alcoholic product in the on-premise banquet licensee's approved  
2368 locked storage area; and

2369 (ii) may use the alcoholic product at more than one banquet.

2370 (7) Notwithstanding Section [32B-5-308](#), an on-premise banquet licensee may not  
2371 employ a minor to sell, furnish, or dispense an alcoholic product in connection with the  
2372 on-premise banquet licensee's banquet and room service activities.

2373 (8) An on-premise banquet licensee:

2374 (a) may provide room service in portions described in Section [32B-5-304](#); [~~and~~]

2375 (b) may not sell, offer for sale, or furnish an alcoholic product at a banquet or in  
2376 connection with room service any day during a period that:

2377 (i) begins at 1 a.m.; and

2378 (ii) ends at 9:59 a.m[.]; and

2379 (c) notwithstanding Section [32B-5-305](#), may provide as room service one alcoholic  
2380 product free of charge per guest room, if the alcoholic product is in an unopened container not  
2381 to exceed 750 milliliters.

2382 (9) (a) Subject to the other provisions of this Subsection (9), a patron may not have  
2383 more than two alcoholic products of any kind at a time before the patron.

2384 (b) A patron may not have more than one spirituous liquor drink at a time before the  
2385 patron.

2386 (c) An individual portion of wine is considered to be one alcoholic product under  
2387 Subsection (9)(a).

2388 (10) (a) An on-premise banquet licensee shall supervise and direct a person involved in  
2389 the sale, offer for sale, or furnishing of an alcoholic product.

2390 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
2391 shall complete an alcohol training and education seminar.

2392 (11) A staff person of an on-premise banquet licensee shall remain at the banquet at all  
2393 times when an alcoholic product is sold, offered for sale, furnished, or consumed at the  
2394 banquet.

2395 (12) (a) Room service of an alcoholic product to a guest room of a hotel or resort  
2396 facility shall be provided in person by staff of an on-premise banquet licensee only to an adult  
2397 guest in the guest room.

2398 (b) An alcoholic product may not be left outside a guest room for retrieval by a guest.

2399 (13) An on-premise banquet licensee may not maintain a minibar.

2400 Section 26. Section **32B-6-702** is amended to read:

2401 **32B-6-702. Definitions.**

2402 As used in this part[, "~~recreational~~]:

2403 (1) "Commission-approved activity" means a leisure activity that:

2404 (a) the commission approves by rule made in accordance with Title 63G, Chapter 3,  
2405 Utah Administrative Rulemaking Act; and

2406 (b) is not a dangerous activity.

2407 (2) "Dangerous activity" means an activity that involves a significant risk of bodily  
2408 injury.

2409 (3) "Recreational amenity" means:

2410 [~~1~~] (a) a billiard parlor;

2411 [~~2~~] (b) a pool parlor;

2412 [~~3~~] (c) a bowling facility;

2413 [~~4~~] (d) a golf course;

2414 [~~5~~] (e) miniature golf;

- 2415            ~~[(6)]~~ (f) a golf driving range;
- 2416            ~~[(7)]~~ (g) a tennis club;
- 2417            ~~[(8)]~~ (h) a sports facility that hosts professional sporting events and has a seating
- 2418 capacity equal to or greater than 6,500;
- 2419            ~~[(9)]~~ (i) a concert venue that has a seating capacity equal to or greater than 6,500;
- 2420            ~~[(10)]~~ (j) one of the following if owned by a government agency:
- 2421            ~~[(a)]~~ (i) a convention center;
- 2422            ~~[(b)]~~ (ii) a fair facility;
- 2423            ~~[(c)]~~ (iii) an equestrian park;
- 2424            ~~[(d)]~~ (iv) a theater; or
- 2425            ~~[(e)]~~ (v) a concert venue;
- 2426            ~~[(11)]~~ (k) an amusement park:
- 2427            ~~[(a)]~~ (i) with one or more permanent amusement rides; and
- 2428            ~~[(b)]~~ (ii) located on at least 50 acres;
- 2429            ~~[(12)]~~ (l) a ski resort;
- 2430            ~~[(13)]~~ (m) a venue for live entertainment if the venue:
- 2431            ~~[(a)]~~ (i) is not regularly open for more than five hours on any day;
- 2432            ~~[(b)]~~ (ii) is operated so that food is available whenever beer is sold, offered for sale, or
- 2433 furnished at the venue; and
- 2434            ~~[(c)]~~ (iii) is operated so that no more than 15% of its total annual receipts are from the
- 2435 sale of beer; ~~[or]~~
- 2436            ~~[(14)]~~ (n) concessions operated within the boundary of a park administered by the:
- 2437            ~~[(a)]~~ (i) Division of Parks and Recreation; or
- 2438            ~~[(b)]~~ (ii) National Parks Service~~[-];~~ or
- 2439            (o) an enterprise developed around a commission-approved activity.
- 2440            Section 27. Section **32B-6-803** is amended to read:
- 2441            **32B-6-803. Commission's power to issue reception center license.**
- 2442            (1) Before a person may store, sell, offer for sale, or furnish an alcoholic product on
- 2443 ~~[its]~~ the person's premises as a reception center, the person shall first obtain a reception center
- 2444 license from the commission in accordance with this part.
- 2445            (2) The commission may issue a reception center license to establish reception center

2446 licensed premises at places and in numbers the commission considers proper for the storage,  
2447 sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated  
2448 as a reception center.

2449 (3) Subject to Section 32B-1-201, the commission may not issue a total number of  
2450 reception center licenses that at any time exceeds the number determined by dividing the  
2451 population of the state by 251,693.

2452 (4) The commission may not issue a reception center license for premises that do not  
2453 meet the proximity requirements of Section 32B-1-202.

2454 (5) (a) To be licensed as a reception center, a person [~~may not maintain in excess of~~  
2455 ~~30% of its total annual receipts from the sale of an alcoholic product, which includes~~] shall  
2456 maintain at least 50% of the person's total annual gross receipts from the sale of food, which  
2457 does not include:

2458 (i) mix for an alcoholic product; or

2459 (ii) a charge in connection with the furnishing of an alcoholic product.

2460 (b) A reception center licensee shall report the information necessary to show  
2461 compliance with this Subsection (5) to the department on an annual basis.

2462 Section 28. Section 32B-6-805 is amended to read:

2463 **32B-6-805. Specific operational requirements for a reception center license.**

2464 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2465 Requirements, a reception center licensee and staff of the reception center licensee shall  
2466 comply with this section.

2467 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2468 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2469 (i) a reception center licensee;

2470 (ii) individual staff of a reception center licensee; or

2471 (iii) both a reception center licensee and staff of the reception center licensee.

2472 (2) In addition to complying with Section 32B-5-303, a reception center licensee shall  
2473 store an alcoholic product in a storage area described in Subsection (14)(a).

2474 (3) (a) For the purpose described in Subsection (3)(b), a reception center licensee shall  
2475 provide the following with advance notice of a scheduled event in accordance with rules made  
2476 by the commission:



- 2477 (i) the department; and
- 2478 (ii) the local law enforcement agency responsible for the enforcement of this title in the
- 2479 jurisdiction where the reception center is located.
- 2480 (b) Any of the following may conduct a random inspection of an event:
- 2481 (i) an authorized representative of the commission or the department; or
- 2482 (ii) a law enforcement officer.
- 2483 (4) (a) Except as otherwise provided in this title, a reception center licensee may sell,
- 2484 offer for sale, or furnish an alcoholic product at an event only for consumption at the reception
- 2485 center's licensed premises.
- 2486 (b) A host of an event, a patron, or a person other than the reception center licensee or
- 2487 staff of the reception center licensee, may not remove an alcoholic product from the reception
- 2488 center's licensed premises.
- 2489 (c) Notwithstanding Section [32B-5-307](#), a patron at an event may not bring an
- 2490 alcoholic product into or onto, or remove an alcoholic product from, the reception center.
- 2491 (5) (a) A reception center licensee may not leave an unsold alcoholic product at an
- 2492 event following the conclusion of the event.
- 2493 (b) At the conclusion of an event, a reception center licensee shall:
- 2494 (i) destroy an opened and unused alcoholic product that is not saleable, under
- 2495 conditions established by the department; and
- 2496 (ii) return to the reception center licensee's approved locked storage area any:
- 2497 (A) opened and unused alcoholic product that is saleable; and
- 2498 (B) unopened container of an alcoholic product.
- 2499 (c) Except as provided in Subsection (5)(b) with regard to an open or sealed container
- 2500 of an alcoholic product not sold or consumed at an event, a reception center licensee:
- 2501 (i) shall store the alcoholic product in accordance with Subsection (2); and
- 2502 (ii) may use the alcoholic product at more than one event.
- 2503 (6) Notwithstanding Section [32B-5-308](#), a reception center licensee may not employ a
- 2504 minor in connection with an event at the reception center at which food is not made available.
- 2505 (7) A person's willingness to serve an alcoholic product may not be made a condition
- 2506 of employment as a server with a reception center licensee.
- 2507 (8) A reception center licensee may not sell, offer for sale, or furnish an alcoholic

2508 product at the licensed premises on any day during the period that:

2509 (a) begins at 1 a.m.; and

2510 (b) ends at 9:59 a.m.

2511 (9) A reception center licensee may not sell, offer for sale, or furnish an alcoholic  
2512 product at an event at which a minor is present unless the reception center licensee makes food  
2513 available at all times when an alcoholic product is sold, offered for sale, furnished, or  
2514 consumed during the event.

2515 (10) (a) Subject to the other provisions of this Subsection (10), a patron may not have  
2516 more than two alcoholic products of any kind at a time before the patron.

2517 (b) An individual portion of wine is considered to be one alcoholic product under  
2518 Subsection (10)(a).

2519 (11) (a) A reception center licensee shall supervise and direct a person involved in the  
2520 sale, offer for sale, or furnishing of an alcoholic product.

2521 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
2522 shall complete an alcohol training and education seminar.

2523 (12) A staff person of a reception center licensee shall remain at an event at all times  
2524 when an alcoholic product is sold, offered for sale, furnished, or consumed at the event.

2525 (13) A reception center licensee may not sell, offer for sale, or furnish an alcoholic  
2526 product to a patron, and a patron may not consume an alcoholic product at a bar structure.

2527 (14) Except as provided in Subsection (15), a reception center licensee may dispense  
2528 an alcoholic product only if:

2529 (a) the alcoholic product is dispensed from an area that is:

2530 (i) separated from an area for the consumption of food by a patron by a solid,

2531 translucent, permanent structural barrier such that the facilities for the storage or dispensing of  
2532 an alcoholic product are:

2533 (A) not readily visible to a patron; and

2534 (B) not accessible by a patron; and

2535 (ii) apart from an area used:

2536 (A) for staging; or

2537 (B) as a lobby or waiting area;

2538 (b) the reception center licensee uses an alcoholic product that is:

- 2539 (i) stored in an area described in Subsection (14)(a); or
- 2540 (ii) in an area not described in Subsection (14)(a) on the licensed premises and:
- 2541 (A) immediately before the alcoholic product is dispensed it is in an unopened
- 2542 container;
- 2543 (B) the unopened container is taken to an area described in Subsection (14)(a) before it
- 2544 is opened; and
- 2545 (C) once opened, the container is stored in an area described in Subsection (14)(a); and
- 2546 (c) any instrument or equipment used to dispense an alcoholic product is located in an
- 2547 area described in Subsection (14)(a).
- 2548 (15) A reception center licensee may dispense an alcoholic product from a mobile
- 2549 serving area that:
- 2550 (a) is moved only by staff of the reception center licensee;
- 2551 (b) is capable of being moved by only one individual; and
- 2552 (c) is no larger than 6 feet long and 30 inches wide.
- 2553 (16) (a) A reception center licensee may not have an event on the licensed premises
- 2554 [~~except~~] unless the event:
- 2555 (i) is pursuant to a contract between a third party host of the event and the reception
- 2556 center licensee under which the reception center licensee provides an alcoholic product sold,
- 2557 offered for sale, or furnished at an event[-]; or
- 2558 (ii) is a private event.
- 2559 (b) At an event, a reception center licensee may furnish an alcoholic product:
- 2560 (i) without charge to a patron, except that the third party host of the event shall pay for
- 2561 an alcoholic product furnished at the event; or
- 2562 (ii) with a charge to a patron at the event.
- 2563 (c) The commission may by rule define what constitutes a "third-party host" for
- 2564 purposes of this Subsection (16) so that a reception center licensee and the third-party host are
- 2565 not owned by or operated by the same persons, except that the rule shall permit a reception
- 2566 center licensee to host an event for an immediate family member of the reception center
- 2567 licensee.
- 2568 (17) A reception center licensee shall have culinary facilities that are:
- 2569 (a) adequate to prepare a full meal; and

- 2570 (b) (i) located on the licensed premises; or
- 2571 (ii) under the same control as the reception center licensee.
- 2572 (18) (a) Except as provided in Subsection (18)(b), a reception center licensee may not
- 2573 operate an event:
- 2574 (i) that is open to the general public; and
- 2575 (ii) at which an alcoholic product is sold or offered for sale.
- 2576 (b) A reception center licensee may operate an event described in Subsection (18)(a) if
- 2577 the event is hosted:
- 2578 (i) at the reception center no more frequently than once a calendar year; and
- 2579 (ii) by a nonprofit organization that is organized and qualified under Section 501(c),
- 2580 Internal Revenue Code.

2581 Section 29. Section **32B-7-409** is enacted to read:

2582 **32B-7-409. Multiple licenses on same premises.**

2583 The commission may not issue and one or more off-premise retailer state licensees may  
2584 not hold more than one type of license for the same premises.

2585 Section 30. Section **32B-8-102** is amended to read:

2586 **32B-8-102. Definitions.**

2587 As used in this chapter:

2588 (1) "Boundary of a resort building" means the physical boundary of the [~~land~~] real  
2589 property reasonably related to a resort building and any structure or improvement to that land  
2590 as determined by the commission.

2591 (2) "Dwelling" means a portion of a resort building:

- 2592 (a) owned by one or more individuals;
- 2593 (b) that is used or designated for use as a residence by one or more persons; and
- 2594 (c) that may be rented, loaned, leased, or hired out for a period of no longer than 30
- 2595 consecutive days by a person who uses it for a residence.

2596 (3) "Engaged in the management of the resort" may be defined by the commission by  
2597 rule.

2598 [~~(4) "Invitee" means an individual who in accordance with Subsection 32B-8-304 (11)~~  
2599 ~~is authorized to use a resort spa by a host who is:]~~

2600 [~~(a) a resident; or]~~

2601 ~~[(b) a public customer.]~~

2602 ~~[(5) "Provisions applicable to a sublicense" means:]~~

2603 ~~[(a) for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant~~

2604 ~~License;]~~

2605 ~~[(b) for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service~~

2606 ~~Restaurant License;]~~

2607 ~~[(c) for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;]~~

2608 ~~[(d) for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet~~

2609 ~~License;]~~

2610 ~~[(e) for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer~~

2611 ~~Retailer License; and]~~

2612 ~~[(f) for a resort spa sublicense, Part 3, Resort Spa Sublicense.]~~

2613 ~~[(6) "Public customer" means an individual who holds a customer card in accordance~~

2614 ~~with Subsection [32B-8-304\(12\)](#).]~~

2615 ~~[(7)] (4) "Resident" means an individual who:~~

2616 (a) owns a dwelling located within a resort building; or

2617 (b) rents lodging accommodations for 30 consecutive days or less from:

2618 (i) an owner of a dwelling described in Subsection ~~[(7)]~~ (4)(a); or

2619 (ii) the resort licensee.

2620 ~~[(8)] (5) "Resort" means a location:~~

2621 (a) on which is located one resort building; and

2622 (b) that is affiliated with a ski area that physically touches the boundary of the resort

2623 building.

2624 ~~[(9)] (6) "Resort building" means a building:~~

2625 (a) that is primarily operated to provide dwellings or lodging accommodations;

2626 (b) that has at least 150 units that consist of a dwelling or lodging accommodations;

2627 (c) that consists of at least 400,000 square feet:

2628 (i) including only the building itself; and

2629 (ii) not including areas such as above ground surface parking; and

2630 (d) of which at least 50% of the units described in Subsection ~~[(9)]~~ (6)(b) consist of

2631 dwellings owned by a person other than the resort licensee.

2632 ~~[(10) "Resort spa" means a spa, as defined by rule by the commission, that is within the~~  
 2633 ~~boundary of a resort building.]~~

2634 ~~[(11) "Sublicense" means:]~~

2635 ~~[(a) a full-service restaurant sublicense;]~~

2636 ~~[(b) a limited-service restaurant sublicense;]~~

2637 ~~[(c) a bar establishment sublicense;]~~

2638 ~~[(d) an on-premise banquet sublicense;]~~

2639 ~~[(e) an on-premise beer retailer sublicense; and]~~

2640 ~~[(f) a resort spa sublicense.]~~

2641 ~~[(12) "Sublicense premises" means a building, enclosure, or room used pursuant to a~~  
 2642 ~~sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic~~  
 2643 ~~product, unless otherwise defined in this title or in the rules made by the commission.]~~

2644 Section 31. Section **32B-8-201** is amended to read:

2645 **32B-8-201. Commission's power to issue a resort license.**

2646 (1) Before a person as a resort under a single license may store, sell, offer for sale,  
 2647 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person  
 2648 shall first obtain a resort license from the commission in accordance with this part.

2649 (2) (a) The commission may issue to a person a resort license to allow the storage, sale,  
 2650 offer for sale, furnishing, and consumption of an alcoholic product in connection with a resort  
 2651 designated in the resort license if the person operates at least four sublicenses under the resort  
 2652 license.

2653 (b) A resort license shall:

2654 (i) consist of:

2655 (A) a general resort license; and

2656 (B) ~~[the]~~ four or more sublicenses; and

2657 (ii) designate the boundary of the resort building.

2658 (c) This chapter does not prohibit an alcoholic product in or on the boundary of the  
 2659 resort building to the extent otherwise permitted by this title.

2660 ~~[(d) The commission may not issue a sublicense that is separate from a resort license.]~~

2661 (3) ~~[(a)]~~ The commission may not issue a total number of resort licenses that at any  
 2662 time totals more than four.

2663           ~~[(b) Subject to Subsection (3)(c), when determining the total number of licenses the~~  
 2664 ~~commission has issued for each type of retail license, the commission may not include a~~  
 2665 ~~sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.]~~

2666           ~~[(c) If a resort license issued under this chapter includes a sublicense that before the~~  
 2667 ~~issuance of the resort license was a retail licensee under this chapter, the commission shall~~  
 2668 ~~include the sublicense as one of the retail licenses issued under the provisions applicable to the~~  
 2669 ~~sublicense in determining if the total number of licenses issued under the provisions applicable~~  
 2670 ~~to the sublicense exceeds the number calculated by dividing the population of the state by the~~  
 2671 ~~number specified in the provisions applicable to the sublicense.]~~

2672           Section 32. Section **32B-8-202** is amended to read:

2673           **32B-8-202. Specific licensing requirements for resort license.**

2674           (1) To obtain a resort license, in addition to complying with Chapter 5, Part 2, Retail  
 2675 Licensing Process, a person shall submit with the person's written application:

2676           ~~[(a) the current business license for each sublicense, if the business license is separate~~  
 2677 ~~from the person's business license;]~~

2678           ~~[(b)]~~ (a) evidence:

2679           (i) of proximity of the resort building to any community location~~[, with proximity~~  
 2680 ~~requirements being governed by Section [32B-1-202](#)];~~

2681           (ii) that each ~~[of the four or more sublicense]~~ proposed sublicensed premises is entirely  
 2682 within the boundaries of the resort building; and

2683           (iii) that the building designated in the application as the resort building qualifies as a  
 2684 resort building; and

2685           ~~[(c)]~~ (b) a description and boundary map of the resort building~~[:];~~

2686           ~~[(d) a description, floor plan, and boundary map of each sublicense premises~~  
 2687 ~~designating:]~~

2688           ~~[(i) any location at which the person proposes that an alcoholic product be stored; and]~~

2689           ~~[(ii) a designated location on the sublicense premises from which the person proposes~~  
 2690 ~~that an alcoholic product be sold, furnished, or consumed;]~~

2691           ~~[(e) evidence that the resort license person carries dramshop insurance coverage equal~~  
 2692 ~~to the sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both~~  
 2693 ~~the general resort license and each sublicense; and]~~

2694 ~~[(f) a signed consent form stating that the person will permit any authorized~~  
2695 ~~representative of the commission, department, or any law enforcement officer to have~~  
2696 ~~unrestricted right to enter the boundary of the resort building and each sublicense premises.]~~

2697 (2) (a) A resort license expires on October 31 of each year.

2698 (b) To renew a person's resort license, the person shall comply with the requirements of  
2699 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

2700 (3) (a) The nonrefundable application fee for a resort license is \$300.

2701 (b) The initial license fee for a resort license is calculated as follows:

2702 (i) ~~[\$10,000]~~ if four sublicenses are being applied for under the resort license, \$10,000;

2703 or

2704 (ii) if more than four sublicenses are being applied for under the resort license, the sum  
2705 of:

2706 (A) \$10,000; and

2707 (B) \$2,000 for each sublicense in excess of four sublicenses for which the person is  
2708 applying.

2709 (c) The renewal fee for a resort license is \$1,000 for each sublicense under the resort  
2710 license.

2711 (4) (a) The bond amount required for a resort license is the penal sum of \$25,000.

2712 (b) A resort licensee is not required to have a separate bond for each sublicense, except  
2713 that the aggregate of the bonds posted by the resort licensee shall cover each sublicense under  
2714 the resort license.

2715 (5) The commission may not issue a resort license for a resort building that does not  
2716 meet the proximity requirements of Section [32B-1-202](#).

2717 (6) In accordance with Subsection [32B-8d-103\(4\)](#), a resort licensee may request to add  
2718 a sublicense after the commission issues the resort licensee's resort license.

2719 Section 33. Section **32B-8-401** is amended to read:

2720 **32B-8-401. Specific operational requirements for resort license.**

2721 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2722 Requirements, a resort licensee, staff of the resort licensee, and a sublicensee or a person  
2723 otherwise operating under a sublicense shall comply with this section.

2724 (b) Subject to Section [32B-8-502](#), failure to comply as provided in Subsection (1)(a)



2725 may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
 2726 Enforcement Act, against:

- 2727 (i) ~~[a]~~ the resort licensee;
- 2728 (ii) individual staff of ~~[a]~~ the resort licensee;
- 2729 (iii) a sublicensee or person otherwise operating under a sublicense of the resort  
 2730 licensee;
- 2731 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense  
 2732 of the resort licensee; or
- 2733 (v) any combination of the persons listed in ~~[this Subsection (1)(b)]~~ Subsections  
 2734 (1)(b)(i) through (iv).

2735 (2) (a) A resort licensee may not sell, offer for sale, or furnish an alcoholic product  
 2736 except:

- 2737 (i) on ~~[a sublicense]~~ sublicensed premises;
- 2738 (ii) pursuant to a permit issued under this title; or
- 2739 (iii) under a package agency agreement with the department, subject to Chapter 2, Part  
 2740 6, Package Agency.

2741 (b) A resort licensee who sells, offers for sale, or furnishes an alcoholic product as  
 2742 provided in Subsection (2)(a), shall sell, offer for sale, or furnish the alcoholic product:

- 2743 (i) if on a sublicense premises, in accordance with the operational requirements ~~[under~~  
 2744 ~~the provisions applicable to the sublicense, except as provided in Section 32B-8-402]~~ described  
 2745 in Section 32B-8d-104;
- 2746 (ii) if under a permit issued under this title, in accordance with the operational  
 2747 requirements under the provisions applicable to the permit; and
- 2748 (iii) if as a package agency, in accordance with the contract with the department and  
 2749 Chapter 2, Part 6, Package Agency.

2750 ~~[(3) A resort licensee shall comply with Subsections 32B-5-301(4) and (5) within the~~  
 2751 ~~boundary of the resort building.]~~

2752 ~~[(4)]~~ (3) A resort licensee shall operate in a manner so that at least 70% of the annual  
 2753 aggregate of the gross receipts related to the sale of food or beverages for the resort license and  
 2754 each of ~~[its]~~ the resort licensee's sublicenses is from the sale of food, not including:

- 2755 (a) mix for an alcoholic product; and

2756 (b) a charge in connection with the service of an alcoholic product.

2757 ~~[(5)]~~ (4) (a) A resort licensee shall supervise and direct a person involved in the sale,  
2758 offer for sale, or furnishing of an alcoholic product under a resort license.

2759 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
2760 under a resort license shall complete the alcohol training and education seminar.

2761 ~~[(6)]~~ (5) (a) Room service of an alcoholic product to a lodging accommodation of a  
2762 resort licensee shall be provided in person by staff of ~~[a]~~ the resort licensee only to an adult  
2763 occupant in the lodging accommodation.

2764 (b) An alcoholic product may not be left outside a lodging accommodation for retrieval  
2765 by an occupant.

2766 Section 34. Section **32B-8-501** is amended to read:

2767 **32B-8-501. Enforcement of qualifications for resort license or sublicense.**

2768 (1) The commission or department may not take an action described in Subsection (2)  
2769 with regard to a resort license unless the person who is found not to meet the qualifications of  
2770 ~~[Section 32B-8-203]~~ Subsection 32B-1-304(1) is one of the following who is engaged in the  
2771 management of the resort:

2772 (a) a partner;

2773 (b) a managing agent;

2774 (c) a manager;

2775 (d) an officer;

2776 (e) a director;

2777 (f) a stockholder who holds at least 20% of the total issued and outstanding stock of the  
2778 corporation;

2779 (g) a member who owns at least 20% of the limited liability company; or

2780 (h) a person employed to act in a supervisory or managerial capacity for the resort  
2781 licensee.

2782 (2) Subsection (1) applies to:

2783 (a) the commission immediately suspending or revoking a resort license, if after the  
2784 day on which the resort license is issued, a person described in Subsection ~~[32B-8-203(1)]~~  
2785 32B-1-304(7)(a):

2786 (i) is found to have been convicted of an offense described in Subsection

2787 [32B-1-304](#)(1)(a) before the commission issues the resort license [~~is issued~~]; or  
2788 (ii) on or after the day on which the commission issues the resort license [~~is issued~~]:  
2789 (A) is convicted of an offense described in Subsection [32B-1-304](#)(1)(a)(i) or (ii); or  
2790 (B) (I) is convicted of driving under the influence of alcohol, a drug, or the combined  
2791 influence of alcohol and a drug; and  
2792 (II) was convicted of driving under the influence of alcohol, a drug, or the combined  
2793 influence of alcohol and a drug within five years before the day on which the person is  
2794 convicted of the offense described in Subsection (2)(b)(ii)(A);  
2795 (b) the director taking an emergency action by immediately suspending the operation of  
2796 a resort license in accordance with Title 63G, Chapter 4, Administrative Procedures Act, for  
2797 the period during which the criminal matter is being adjudicated if a person described in  
2798 Subsection [~~32B-8-203~~(1)] [32B-1-304](#)(7):  
2799 (i) is arrested on a charge for an offense described in Subsection [32B-1-304](#)(1)(a)(i) or  
2800 (ii); or  
2801 (ii) (A) is arrested on a charge for the offense of driving under the influence of alcohol,  
2802 a drug, or the combined influence of alcohol and a drug; and  
2803 (B) was convicted of driving under the influence of alcohol, a drug, or the combined  
2804 influence of alcohol and a drug within five years before the day on which the person is arrested  
2805 on a charge described in Subsection (2)(b)(ii)(A); and  
2806 (c) the commission suspending or revoking a resort license because a person to whom  
2807 the commission issues a resort license [~~is issued~~] under this chapter no longer possesses the  
2808 qualifications required by this title for obtaining the resort license.  
2809 (3) This section does not prevent the commission from suspending or revoking a  
2810 sublicense that is part of a resort license if a person employed to act in a supervisory or  
2811 managerial capacity for a sublicense no longer meets the qualification requirements in the  
2812 provisions applicable to the sublicense.  
2813 Section 35. Section [32B-8-502](#) is amended to read:  
2814 **[32B-8-502. Enforcement of operational requirements for resort license or](#)**  
2815 **[sublicense.](#)**  
2816 (1) (a) Except as provided in Subsection (2) [~~and in addition to Subsection (3)~~], failure  
2817 by a person described in Subsection (1)(b) to comply with this chapter or [~~an operational~~

2818 ~~requirement under a provision applicable to a sublicense]~~ Chapter 8d, Sublicense Act, may  
2819 result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
2820 Enforcement Act, against:

- 2821 (i) a resort licensee;
- 2822 (ii) individual staff of a resort licensee;
- 2823 (iii) a sublicense or person otherwise operating under a sublicense;
- 2824 (iv) individual staff of a sublicense or person otherwise operating under a sublicense;

2825 or

2826 (v) any combination of the persons listed in [~~this Subsection (1)(a)] Subsections  
2827 (1)(a)(i) through (iv).~~

2828 (b) This Subsection (1) applies to:

- 2829 (i) a resort licensee;
- 2830 (ii) a sublicense or person operating under a sublicense of a resort license; or
- 2831 (iii) staff of a resort licensee or sublicensee or other person operating under a  
2832 sublicense of a resort license.

2833 (2) (a) Notwithstanding the other provisions of this title, if the failure to comply with  
2834 this chapter described in Subsection (1) relates to a sale, offer for sale, or furnishing of an  
2835 alcoholic product on [~~a sublicense]~~ sublicensed premises, a resort licensee or an individual  
2836 member of the resort licensee's management personnel is subject to a sanction described in  
2837 Subsection (1), only if the commission finds that:

2838 (i) during the three years before the day on which the commission makes the finding,  
2839 there are three or more disciplinary proceedings against any sublicensee or person operating  
2840 under a sublicense of the resort licensee for failure to comply with an operational requirement  
2841 applicable to the sublicense; and

2842 (ii) the resort licensee has not taken reasonable steps to prevent persons operating  
2843 under a sublicense of the resort licensee from failing to comply with operational requirements  
2844 applicable to the sublicense.

2845 (b) This Subsection (2) applies if the three or more disciplinary proceedings described  
2846 in Subsection (2)(a) are against:

- 2847 (i) the same person operating under a sublicense of the resort licensee; or
- 2848 (ii) two or more different persons operating under a sublicense of the resort licensee.

2849 ~~[(3) An operational requirement applicable to a person operating under a sublicense is~~  
 2850 ~~enforced as provided by the provisions applicable to the sublicense.]~~

2851 Section 36. Section **32B-8a-101** is amended to read:

2852 **Part 8a. Transfer of Alcohol License Act**

2853 **32B-8a-101. Title.**

2854 This chapter is known as the "Transfer of [~~Retail~~] Alcohol License Act."

2855 Section 37. Section **32B-8a-102** is amended to read:

2856 **32B-8a-102. Definitions.**

2857 As used in this chapter:

2858 (1) "Alcohol license" means:

2859 (a) a retail license;

2860 (b) an off-premise beer retailer state license;

2861 (c) a brewery manufacturing license;

2862 (d) a distillery manufacturing license;

2863 (e) a winery manufacturing license; and

2864 (f) a special use permit that is an industrial or manufacturing use permit.

2865 ~~[(1)]~~ (2) "Business entity" means a corporation, partnership, limited liability company,  
 2866 sole proprietorship, or similar entity.

2867 ~~[(2)]~~ (3) "Transfer fee" means a fee described in Section 32B-8a-303.

2868 ~~[(3)]~~ (4) "Transferee" means a person who intends to hold [~~a retail~~] an alcohol license  
 2869 after the transfer of the [~~retail~~] alcohol license if the transfer is approved by the commission  
 2870 under this chapter.

2871 ~~[(4)]~~ (5) "Transferor" means [~~a retail~~] an alcohol licensee who intends to transfer [~~a~~  
 2872 ~~retail~~] an alcohol license held by the [~~retail~~] alcohol licensee if the commission approves the  
 2873 transfer [~~is approved by the commission~~] under this chapter.

2874 Section 38. Section **32B-8a-201** is amended to read:

2875 **32B-8a-201. Transferability of alcohol license.**

2876 (1) (a) [~~A retail~~] An alcohol license is separate from other property of [~~a retail~~] an  
 2877 alcohol licensee.

2878 (b) Notwithstanding Subsection (1)(a), the Legislature may terminate or modify the  
 2879 existence of any type of [~~retail~~] alcohol license.

- 2880 (c) Except as provided in this chapter, a person may not:
- 2881 (i) transfer [~~a retail~~] an alcohol license from one location to another location; or
- 2882 (ii) sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the
- 2883 [~~retail~~] alcohol license to another person whether for monetary gain or not.
- 2884 (d) If approved by the commission and subject to the requirements of this chapter, [~~a~~
- 2885 ~~retail~~] an alcohol licensee may transfer [~~a retail~~] the alcohol license:
- 2886 (i) from the [~~retail~~] alcohol licensee to another person, regardless of whether [~~it~~] the
- 2887 alcohol license is for the same premises; and
- 2888 (ii) from one premises of the [~~retail~~] alcohol licensee to another premises of the [~~retail~~]
- 2889 alcohol licensee.
- 2890 (2) (a) The commission may not approve the transfer of [~~a retail~~] an alcohol license
- 2891 that results in a transferee holding a different type of [~~retail~~] alcohol license than is held by the
- 2892 transferor.
- 2893 (b) [~~The~~] Unless the alcohol license is a bar establishment license, the commission may
- 2894 not approve the transfer of [~~a retail~~] an alcohol license from one location to another location, if
- 2895 the location of the premises to which the [~~retail~~] alcohol license would be transferred is in a
- 2896 different county than the location of the licensed premises of the [~~retail~~] alcohol license being
- 2897 transferred.
- 2898 (3) The commission may not approve the transfer of [~~a retail~~] an alcohol license if the
- 2899 transferee:
- 2900 (a) is not eligible to hold the same type of [~~retail~~] alcohol license as the [~~retail~~] alcohol
- 2901 license to be transferred at the premises to which the [~~retail~~] alcohol license would be
- 2902 transferred; or
- 2903 (b) is delinquent in the payment of any of the following that arises in full or in part out
- 2904 of the operation of a [~~retail~~] alcohol license:
- 2905 (i) a tax, fee, or charge due under this title or Title 59, Revenue and Taxation; or
- 2906 (ii) an amount due under Title 35A, Chapter 4, Employment Security Act.
- 2907 (4) This chapter does not apply to a:
- 2908 (a) master full-service restaurant license; [~~or~~]
- 2909 (b) master limited-service restaurant license[~~;~~]; or
- 2910 (c) master off-premise beer retailer state license.

2911 Section 39. Section **32B-8a-202** is amended to read:

2912 **32B-8a-202. Effect of transfer of ownership of business entity.**

2913 (1) (a) When the ownership of 51% or more of the shares of stock of a corporation is  
2914 acquired by or transferred to one or more persons who did not hold the ownership of 51% of  
2915 those shares of stock on the date [~~a retail~~] an alcohol license is issued to the corporation, the  
2916 corporation shall comply with this chapter to transfer the [~~retail~~] alcohol license to the  
2917 corporation as if the corporation is newly constituted.

2918 (b) When there is a new general partner or when the ownership of 51% or more of the  
2919 capital or profits of a limited partnership is acquired by or transferred to one or more persons as  
2920 general or limited partners and who did not hold ownership of 51% or more of the capital or  
2921 profits of the limited partnership on the date [~~a retail~~] an alcohol license is issued to the limited  
2922 partnership, the limited partnership shall comply with this chapter to transfer the [~~retail~~]  
2923 alcohol license to the limited partnership as if the limited partnership is newly constituted.

2924 (c) When the ownership of 51% or more of the interests in a limited liability company  
2925 is acquired by or transferred to one or more persons as members who did not hold ownership of  
2926 51% or more of the interests in the limited liability company on the date [~~a retail~~] an alcohol  
2927 license is issued to the limited liability company, the limited liability company shall comply  
2928 with this chapter to transfer the [~~retail~~] alcohol license to the limited liability company as if the  
2929 limited liability company is newly constituted.

2930 (2) A business entity shall comply with this section within 60 days after the day on  
2931 which the event described in Subsection (1) occurs.

2932 Section 40. Section **32B-8a-203** is amended to read:

2933 **32B-8a-203. Operational requirements for transferee.**

2934 (1) (a) A transferee shall begin operations of the [~~retail~~] alcohol license within 30 days  
2935 [~~from~~] after the day on which a transfer is approved by the commission, except that:

2936 (i) the department may grant an extension of this time period not to exceed 30 days;  
2937 and

2938 (ii) after the extension is authorized by the department under Subsection (1)(a)(i), the  
2939 commission may grant one or more additional extensions not to exceed, in the aggregate, seven  
2940 months from the day on which the commission approves the transfer, if the transferee can  
2941 demonstrate to the commission that the transferee:

2942 (A) cannot begin operations because the transferee is improving the licensed premises;

2943 (B) has obtained a building permit for the improvements described in Subsection

2944 (1)(a)(ii)(A); and

2945 (C) is working expeditiously to complete the improvements to the licensed premises.

2946 (b) A transferee is considered to have begun operations of the [~~retail~~] alcohol license if  
2947 the transferee:

2948 (i) has a licensed premises that is open for business;

2949 (ii) (A) sells, offers for sale, or furnishes alcoholic products to a patron on the licensed  
2950 premises described in Subsection (1)(b)(i); [~~and~~]

2951 (B) manufactures an alcoholic product on the licensed premises described in  
2952 Subsection (1)(b)(i); or

2953 (C) engages in an industrial or manufacturing pursuit containing alcohol on the  
2954 licensed premises described in Subsection (1)(b)(i); and

2955 [~~(iii)~~] (iii) has a valid business license.

2956 (2) If a transferee fails to begin operations of the [~~retail~~] alcohol license within the time  
2957 period required by Subsection (1), the following are automatically forfeited effective  
2958 immediately:

2959 (a) the [~~retail~~] alcohol license; and

2960 (b) the [~~retail~~] alcohol license fee.

2961 (3) A transferee shall begin operations of the [~~retail~~] alcohol license at the location to  
2962 which the transfer applies before the transferee may seek a transfer of the [~~retail~~] alcohol  
2963 license to a different location.

2964 (4) Notwithstanding Subsection (1), the commission may not issue a conditional  
2965 license unless the requirements of Section 32B-5-205 are met, except that the time periods  
2966 required by this section supersede the time period provided in Section 32B-5-205.

2967 Section 41. Section 32B-8a-302 is amended to read:

2968 **32B-8a-302. Application -- Approval process.**

2969 (1) To obtain the transfer of [~~a-retail~~] an alcohol license from [~~a-retail~~] an alcohol  
2970 licensee, the transferee shall file a transfer application with the department that includes:

2971 (a) an application in the form provided by the department;

2972 (b) a statement as to whether the consideration, if any, to be paid to the transferor



2973 includes payment for transfer of the [~~retail~~] alcohol license;

2974 (c) a statement executed under penalty of perjury that the consideration as set forth in

2975 the escrow agreement required by Section 32B-8a-401 is deposited with the escrow holder; and

2976 (d) (i) an application fee of \$300; and

2977 (ii) a transfer fee determined in accordance with Section 32B-8a-303.

2978 (2) If the intended transfer of [~~a retail~~] an alcohol license involves consideration, at

2979 least 10 days before the commission may approve the transfer, the department shall post a

2980 notice of the intended transfer on the Public Notice Website created in Section 63F-1-701 that

2981 states the following:

2982 (a) the name of the transferor;

2983 (b) the name and address of the business currently associated with the [~~retail~~] alcohol

2984 license;

2985 (c) instructions for filing a claim with the escrow holder; and

2986 (d) the projected date that the commission may consider the transfer application.

2987 (3) (a) (i) Before the commission may approve the transfer of [~~a retail~~] an alcohol

2988 license, the department shall conduct an investigation and may hold public hearings to gather

2989 information and make recommendations to the commission as to whether the transfer of the

2990 [~~retail~~] alcohol license should be approved.

2991 (ii) The department shall forward the information and recommendations described in

2992 this Subsection (3)(a) to the commission to aid in the commission's determination.

2993 (b) Before approving a transfer, the commission shall:

2994 (i) determine that the transferee filed a complete application;

2995 (ii) determine that the transferee is eligible to hold the type of [~~retail~~] alcohol license

2996 that is to be transferred at the premises to which the [~~retail~~] alcohol license would be

2997 transferred;

2998 (iii) determine that the transferee is not delinquent in the payment of an amount

2999 described in Subsection 32B-8a-201(3);

3000 (iv) determine that the transferee is not disqualified under Section 32B-1-304;

3001 (v) consider the locality within which the proposed licensed premises is located,

3002 including:

3003 (A) the factors listed in Section 32B-5-203 for the issuance of a retail license;

3004           (B) the factors listed in Section 32B-7-404 for the issuance of an off-premise beer  
3005 retailer state license;

3006           (C) the factors listed in Section 32B-11-206 for the issuance of a manufacturing  
3007 license; and

3008           (D) the factors listed in Section 32B-10-204 for the issuance of a special use permit  
3009 that is an industrial and manufacturing use permit;

3010           (vi) consider the transferee's ability to manage and operate the retail license to be  
3011 transferred, including:

3012           (A) the factors listed in Section 32B-5-203 for the issuance of a retail license;

3013           (B) the factors listed in Section 32B-7-404 for the issuance of an off-premise beer  
3014 retailer state license;

3015           (C) the factors listed in Section 32B-11-206 for the issuance of a manufacturing  
3016 license; and

3017           (D) the factors listed in Section 32B-10-204 for the issuance of a special use permit  
3018 that is an industrial and manufacturing use permit;

3019           (vii) consider the nature or type of [~~retail~~] alcohol licensee operation of the transferee,  
3020 including:

3021           (A) the factors listed in Section 32B-5-203 for the issuance of a retail license;

3022           (B) the factors listed in Section 32B-7-404 for the issuance of an off-premise beer  
3023 retailer state license;

3024           (C) the factors listed in Section 32B-11-206 for the issuance of a manufacturing  
3025 license; and

3026           (D) the factors listed in Section 32B-10-204 for the issuance of a special use permit  
3027 that is an industrial and manufacturing use permit;

3028           (viii) if the transfer involves consideration, determine that the transferee and transferor  
3029 have complied with Part 4, Protection of Creditors; and

3030           (ix) consider any other factor the commission considers necessary.

3031           (4) Except as otherwise provided in Section 32B-1-202, the commission may not  
3032 approve the transfer of [~~a retail~~] an alcohol license to premises that do not meet the proximity  
3033 requirements of Subsection 32B-1-202(2), Section 32B-7-201, or Section 32B-11-210, as  
3034 applicable.

3035 Section 42. Section **32B-8a-303** is amended to read:

3036 **32B-8a-303. Transfer fees.**

3037 (1) Except as otherwise provided in this section, the department shall charge the  
3038 following transfer fees:

3039 (a) for a transfer of [~~a retail~~] an alcohol license from [~~a retail~~] an alcohol licensee to  
3040 another person, the transfer fee equals the initial license fee amount specified in the relevant  
3041 chapter or part [~~under Chapter 6, Specific Retail License Act,~~] for the type of [~~retail~~] alcohol  
3042 license that is being transferred;

3043 (b) for the transfer of [~~a retail~~] an alcohol license from one premises to another  
3044 premises of the same [~~retail~~] alcohol licensee, the transfer fee equals the renewal fee amount  
3045 specified in the relevant chapter or part [~~under Chapter 6, Specific Retail License Act,~~] for the  
3046 type of [~~retail~~] alcohol license that is being transferred;

3047 (c) subject to Subsections (1)(d) and (2), for a transfer described in Section  
3048 32B-8a-202, the transfer fee equals the renewal fee amount specified in the relevant chapter or  
3049 part [~~under Chapter 6, Specific Retail License Act,~~] for the type of [~~retail~~] alcohol license that  
3050 is being transferred;

3051 (d) for a transfer of [~~a retail~~] an alcohol license to include the parent or adult child of [~~a~~  
3052 ~~retail~~] an alcohol licensee, when no consideration is given for the transfer, the transfer fee is  
3053 one-half of the amount described in Subsection (1)(a); and

3054 (e) for one of the following transfers, the transfer fee is one-half of the amount  
3055 described in Subsection (1)(a):

3056 (i) [~~a retail~~] an alcohol license of one spouse to the other spouse when the transfer  
3057 application is made before the entry of a final decree of divorce;

3058 (ii) [~~a retail~~] an alcohol license of a deceased [~~retail~~] alcohol licensee to:

3059 (A) the one or more surviving partners of the deceased [~~retail~~] alcohol licensee;

3060 (B) the executor, administrator, or conservator of the estate of the deceased [~~retail~~]  
3061 alcohol licensee; or

3062 (C) the surviving spouse of the deceased [~~retail~~] alcohol licensee, if the deceased  
3063 [~~retail~~] alcohol licensee leaves no estate to be administered;

3064 (iii) [~~a retail~~] an alcohol license of an incompetent person or conservatee by or to the  
3065 conservator or guardian for the incompetent person or conservatee who is the [~~retail~~] alcohol

3066 licensee;

3067 (iv) [~~a-retail~~] an alcohol license of a debtor in a bankruptcy case by or to the trustee of a  
3068 bankrupt estate of the [~~retail~~] alcohol licensee;

3069 (v) [~~a-retail~~] an alcohol license of a person for whose estate a receiver is appointed may  
3070 be transferred by or to a receiver of the estate of the [~~retail~~] alcohol licensee;

3071 (vi) [~~a-retail~~] an alcohol license of an assignor for the benefit of creditors by or to an  
3072 assignee for the benefit of creditors of a licensee with the consent of the assignor;

3073 (vii) [~~a-retail~~] an alcohol license transferred to a revocable living trust if the [~~retail~~]  
3074 alcohol licensee is the trustee of the revocable living trust;

3075 (viii) [~~a-retail~~] an alcohol license transferred between partners when no new partner is  
3076 being licensed;

3077 (ix) [~~a-retail~~] an alcohol license transferred between corporations whose outstanding  
3078 shares of stock are owned by the same individuals;

3079 (x) upon compliance with Section 32B-8a-202, [~~a-retail~~] an alcohol license to a  
3080 corporation whose entire stock is owned by:

3081 (A) the transferor; or

3082 (B) the spouse of the transferor;

3083 (xi) upon compliance with Section 32B-8a-202, [~~a-retail~~] an alcohol license to a limited  
3084 liability company whose entire membership consists of:

3085 (A) the transferor; or

3086 (B) the spouse of the transferor; or

3087 (xii) [~~a-retail~~] an alcohol license transferred from a corporation to a person who owns,  
3088 or whose spouse owns, the entire stock of the corporation.

3089 (2) If there are multiple and simultaneous transfers of [~~retail~~] alcohol licenses under  
3090 Section 32B-8a-202, a transfer fee described in Subsection (1)(c) is required for only one of the  
3091 [~~retail~~] alcohol licenses being transferred.

3092 (3) (a) Except as provided in Subsection (3)(b), a transfer fee required under  
3093 Subsection (1) is due for a transfer subsequent to a transfer under Subsection (1)(e)(xii) if the  
3094 subsequent transfer is of 51% of the stock in a corporation to which [~~a-retail~~] an alcohol license  
3095 is transferred by [~~a-retail~~] an alcohol licensee or the spouse of [~~a-retail~~] an alcohol licensee.

3096 (b) If the transfer of stock described in Subsection (3)(a) is from a parent to the parent's

3097 adult child or adult grandchild, the transfer fee is one-half of the amount described in  
3098 Subsection (1)(a).

3099 (4) Money collected from a transfer fee shall be deposited in the Liquor Control Fund.

3100 Section 43. Section **32B-8a-401** is amended to read:

3101 **32B-8a-401. Notification of creditors -- Escrow -- Priority of payments.**

3102 (1) Before the filing of a transfer application with the department, if the intended  
3103 transfer of [~~a retail~~] an alcohol license involves consideration:

3104 (a) the transferor shall provide the transferee a list of creditors who have a claim  
3105 against the transferor;

3106 (b) the transferee shall notify each creditor on the list provided under Subsection (1)(a)  
3107 of the intended transfer;

3108 (c) the transferor and the transferee shall establish an escrow with a person who is not a  
3109 party to the transfer to act as escrow holder;

3110 (d) the transferee shall deposit with the escrow holder the full amount of the  
3111 consideration; and

3112 (e) the transferor and transferee shall enter into an agreement that:

3113 (i) the consideration is deposited with the escrow holder;

3114 (ii) requires the escrow holder to distribute the consideration within a reasonable time  
3115 after the completion of the transfer of the [~~retail~~] alcohol license; and

3116 (iii) directs the escrow holder to distribute the consideration in accordance with  
3117 Subsection (2).

3118 (2) Subject to the other requirements of this section, if a creditor with a claim against  
3119 the transferor files the claim with the escrow holder before the escrow holder is notified by the  
3120 department that the transfer is approved, the escrow holder shall distribute the consideration in  
3121 the following order:

3122 (a) to the payment of:

3123 (i) the United States for a claim based on income or withholding taxes; and

3124 (ii) a claim based on a tax other than specified in Subsection **32B-8a-201**(3);

3125 (b) to the payment of a claim for wages, salaries, or fringe benefits earned or accrued  
3126 by an employee of the transferor before the transfer or opening of the escrow for the transfer of  
3127 the [~~retail~~] alcohol license;

- 3128 (c) to the payment of a claim of a secured creditor to the extent of the proceeds that  
3129 arise from the sale of the security;
- 3130 (d) to the payment of a claim on a mechanics lien;
- 3131 (e) to the payment of:
- 3132 (i) escrow fees;
- 3133 (ii) a claim for prevailing brokerage fees for services rendered; and
- 3134 (iii) a claim for reasonable attorney fees for services rendered;
- 3135 (f) to the payment of claims:
- 3136 (i) of a landlord, to the extent of proceeds on past due rent or lease requirements;
- 3137 (ii) for goods sold and delivered to the [~~retail~~] alcohol licensee for resale at the  
3138 transferor's licensed premises; and
- 3139 (iii) for services rendered, performed, or supplied in connection with the operation of  
3140 the transferor's licensed business;
- 3141 (g) to the payment of other types of claims that are reduced to court-ordered judgments,  
3142 including a claim for court-ordered support of a minor child; and
- 3143 (h) to the payment of all other claims.

3144 Section 44. Section **32B-8a-402** is amended to read:

3145 **32B-8a-402. Duties of escrow holder.**

3146 (1) To act as an escrow holder under Section **32B-8a-401**, a person shall comply with  
3147 Title 7, Chapter 22, Regulation of Independent Escrow Agents.

3148 (2) Not more than 10 days after [~~receiving~~] the day on which the escrow holder  
3149 receives a claim from a creditor, an escrow holder shall acknowledge receipt of the claim.

3150 (3) (a) Not more than 10 days after [~~a retail~~] the day on which an alcohol license is  
3151 transferred and before the distribution of the consideration held by an escrow holder, the  
3152 escrow holder shall advise each creditor who files a claim against the escrow whether there is  
3153 sufficient consideration in the escrow to pay all creditors in full.

3154 (b) If the consideration in an escrow is sufficient to pay all creditors in full, the escrow  
3155 holder shall advise each creditor of the date on or before which payment will be made.

3156 (c) If there are not sufficient assets to pay all creditors in full, the escrow holder shall  
3157 advise each creditor who filed a claim of the following:

3158 (i) the total assets placed in escrow with the escrow holder;

- 3159 (ii) the nature of each asset;
- 3160 (iii) the name of each creditor who filed a claim against the escrow and the amount of  
3161 the claim;
- 3162 (iv) the amount the escrow holder proposes to pay each creditor; and
- 3163 (v) the date on or before which the escrow holder will pay each creditor.
- 3164 (4) An escrow holder may not release money in the escrow in exchange for:
- 3165 (a) a promissory note; or
- 3166 (b) any other consideration of less value to the creditors than the money exchanged.
- 3167 (5) If sufficient assets are not available in the escrow for the payment of the claims in  
3168 full, the escrow holder shall pay the claims pro rata.
- 3169 (6) If the [~~retail~~] alcohol licensee who transfers the [~~retail~~] alcohol license disputes a  
3170 claim, the escrow holder shall:
- 3171 (a) notify the creditor making the claim;
- 3172 (b) retain the amount to be paid to the creditor under this section for a period of 25  
3173 days; and
- 3174 (c) to the extent that creditors do not successfully recover the amount described in  
3175 Subsection (6)(b) in accordance with this part, pay the amount to the [~~retail~~] alcohol licensee.
- 3176 (7) An escrow holder shall distribute the money in the escrow account after the  
3177 payments made under Subsections [32B-8a-401\(2\)](#) and this section within a reasonable time  
3178 after the completion of the transfer of the [~~retail~~] alcohol license.
- 3179 Section 45. Section **32B-8a-404** is amended to read:
- 3180 **32B-8a-404. When escrow not required.**
- 3181 (1) Notwithstanding the other provisions of this part, an escrow is not required to be  
3182 established in connection with the transfer of [~~a retail~~] an alcohol license if:
- 3183 (a) a business entity files with the department a guaranty of full, prompt, and faithful  
3184 payment of all claims of a creditor of the [~~retail~~] alcohol licensee; and
- 3185 (b) the guaranty described in Subsection (1)(a) is accepted in writing by the creditors  
3186 listed in Subsection [32B-8a-401\(2\)](#).
- 3187 (2) A transfer of [~~a retail~~] an alcohol license described in Subsection (1) is not  
3188 considered complete until:
- 3189 (a) the guarantor pays all creditors' claims in full; and

3190 (b) the guarantor files with the department a statement executed under penalty of  
3191 perjury that all conditions of the transfer have been satisfied.

3192 (3) Payment of a claim by a guarantor shall be made in United States currency or by  
3193 certified check in a manner acceptable to the creditors.

3194 (4) This section applies only in the case of a transfer in which the guarantor business  
3195 entity has a net worth on a consolidated basis, according to ~~[its]~~ the guarantor business entity's  
3196 most recent audited financial statement, of not less than \$5,000,000.

3197 Section 46. Section **32B-8a-501** is amended to read:

3198 **32B-8a-501. License not to be pledged as security -- Prohibited transfers.**

3199 (1) ~~[A retail]~~ An alcohol licensee may not enter into any agreement under which the  
3200 ~~[retail]~~ alcohol licensee pledges the ~~[retail]~~ alcohol license as security for a loan or as security  
3201 for the fulfillment of any agreement.

3202 (2) ~~[A retail]~~ An alcohol licensee may not transfer ~~[a retail]~~ an alcohol license if the  
3203 transfer is to:

3204 (a) satisfy a loan or to fulfill an agreement entered into more than 90 days ~~[preceding~~  
3205 ~~the date]~~ before the day on which the transfer application is filed;

3206 (b) gain or establish a preference to or for any creditor of the transferor, except as  
3207 provided by Section [32B-8a-202](#); or

3208 (c) defraud or injure a creditor of the transferor.

3209 (3) An alcohol licensee may not transfer a bar establishment license in a manner that  
3210 circumvents the limitations of Subsection [32B-8d-103\(3\)\(b\)](#) or (c).

3211 ~~[(3)]~~ (4) ~~[A retail]~~ An alcohol licensee may not transfer ~~[a retail]~~ an alcohol license  
3212 except in accordance with this chapter.

3213 Section 47. Section **32B-8a-502** is amended to read:

3214 **32B-8a-502. Effect of transfer in violation of this chapter.**

3215 (1) If ~~[a retail]~~ an alcohol license is transferred in violation of this chapter, the  
3216 commission may:

3217 (a) void the transfer; and

3218 (b) require the ~~[retail]~~ alcohol license to be forfeited.

3219 (2) Subsection (1) is in addition to any other penalty under this title that is applicable to  
3220 the person who violates this chapter.



3221 Section 48. Section **32B-8b-102** is amended to read:

3222 **32B-8b-102. Definitions.**

3223 As used in this chapter:

3224 (1) "Boundary of a hotel" means the physical boundary of one or more contiguous  
3225 parcels of real [~~estate~~] property owned or managed by the same person and on which a hotel is  
3226 located.

3227 (2) "Hotel" means one or more buildings that:

3228 (a) comprise a hotel, as defined by the commission;

3229 (b) are owned or managed by the same person or by a person who has a majority  
3230 interest in or can direct or exercise control over the management or policy of the person who  
3231 owns or manages any other building under the hotel license within the boundary of the hotel;

3232 (c) primarily operate to provide lodging accommodations;

3233 (d) provide room service within the boundary of the hotel meeting the requirements of  
3234 this title;

3235 (e) have on-premise banquet space and provide on-premise banquet service within the  
3236 boundary of the hotel meeting the requirements of this title;

3237 (f) have a restaurant or bar establishment within the boundary of the hotel meeting the  
3238 requirements of this title; and

3239 (g) have at least 40 guest rooms.

3240 [~~(3) "Provisions applicable to a sublicense" means:~~]

3241 [~~(a) for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant  
3242 License;~~]

3243 [~~(b) for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service  
3244 Restaurant License;~~]

3245 [~~(c) for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;~~]

3246 [~~(d) for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet  
3247 License;~~]

3248 [~~(e) for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer  
3249 Retailer License; and]~~

3250 [~~(f) for a beer-only restaurant sublicense, Chapter 6, Part 9, Beer-Only Restaurant  
3251 License.~~]

3252 ~~[(4) "Sublicense" means:]~~  
 3253 ~~[(a) a full-service restaurant sublicense;]~~  
 3254 ~~[(b) a limited-service restaurant sublicense;]~~  
 3255 ~~[(c) a bar establishment sublicense;]~~  
 3256 ~~[(d) an on-premise banquet sublicense;]~~  
 3257 ~~[(e) an on-premise beer retailer sublicense; and]~~  
 3258 ~~[(f) a beer-only restaurant sublicense.]~~  
 3259 ~~[(5) "Sublicense premises" means a building, enclosure, or room used pursuant to a~~  
 3260 ~~sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic~~  
 3261 ~~product, unless otherwise defined in this title or in the rules made by the commission.]~~

3262 Section 49. Section **32B-8b-201** is amended to read:

3263 **32B-8b-201. Commission's power to issue a hotel license.**

3264 (1) Before a person as a hotel under a single license may store, sell, offer for sale,  
 3265 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person  
 3266 shall first obtain a hotel license from the commission in accordance with this part.

3267 (2) (a) The commission may issue to a person a hotel license to allow the storage, sale,  
 3268 offer for sale, furnishing, and consumption of an alcoholic product in connection with a hotel  
 3269 designated in the hotel license if the person operates at least three sublicenses under the hotel  
 3270 license:

3271 (i) one of which is an on-premise banquet license; and  
 3272 (ii) one of which is [a sublicense for a restaurant or bar establishment.]:  
 3273 (A) a full-service restaurant sublicense;  
 3274 (B) a limited-service restaurant sublicense;  
 3275 (C) a beer-only restaurant sublicense; or  
 3276 (D) a bar establishment sublicense.

3277 (b) A hotel license shall:

3278 (i) consist of:

3279 (A) a general hotel license; and

3280 (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

3281 (ii) designate the boundary of the hotel and sublicenses.

3282 (c) This chapter does not prohibit an alcoholic product on the boundary of the hotel to

3283 the extent otherwise permitted by this title.

3284 ~~[(d) The commission may not issue a sublicense that is separate from a hotel license.]~~

3285 (3) ~~[(a)]~~ The commission may not issue a total number of hotel licenses that at any time  
3286 totals more than 80.

3287 ~~[(b) Subject to Subsection (3)(c), when determining the total number of licenses the~~  
3288 ~~commission has issued for each type of retail license, the commission may not include a~~  
3289 ~~sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.]~~

3290 ~~[(c) If a hotel license issued under this chapter includes a bar establishment sublicense~~  
3291 ~~that before the issuance of the hotel license was a bar establishment license, the commission~~  
3292 ~~shall include the bar establishment sublicense as one of the bar establishment licenses in~~  
3293 ~~determining if the total number of licenses issued under the provisions applicable to the bar~~  
3294 ~~establishment license exceeds the number calculated by dividing the population of the state by~~  
3295 ~~the number specified in the provisions applicable to the bar establishment license.]~~

3296 ~~[(d) A person may not transfer a bar establishment license under Chapter 8a, Transfer~~  
3297 ~~of Retail License Act, in a manner that circumvents the limitations of Subsection (3)(c).]~~

3298 Section 50. Section **32B-8b-202** is amended to read:

3299 **32B-8b-202. Specific licensing requirements for hotel license.**

3300 (1) To obtain a hotel license, in addition to complying with Chapter 5, Part 2, Retail  
3301 Licensing Process, a person shall submit with the person's written application:

3302 ~~[(a) the current business license for each sublicense, if the business license is separate~~  
3303 ~~from the person's business license;]~~

3304 ~~[(b)]~~ (a) evidence:

3305 (i) of proximity of each building under the hotel license to any community location[;  
3306 ~~with proximity requirements being governed by Section 32B-1-202];~~

3307 (ii) that each ~~[of the three or more sublicense]~~ proposed sublicensed premises is  
3308 entirely within the boundary of the hotel; and

3309 (iii) that ~~[a]~~ each building designated in the application as a building under the hotel  
3310 license qualifies to be under the hotel license; and

3311 ~~[(c)]~~ (b) a description and boundary map of the hotel[;];

3312 ~~[(d) a description, floor plan, and boundary map of each sublicense premises~~  
3313 ~~designating;]~~

3314 ~~[(i) any location at which the person proposes that an alcoholic product be stored; and]~~

3315 ~~[(ii) a designated location on the sublicense premises from which the person proposes~~

3316 ~~that an alcoholic product be sold, furnished, or consumed;]~~

3317 ~~[(e) evidence that the hotel licensee carries dramshop insurance coverage equal to the~~

3318 ~~sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both the~~

3319 ~~general hotel license and each sublicense; and]~~

3320 ~~[(f) a signed consent form stating that the person will permit any authorized~~

3321 ~~representative of the commission or department, or any law enforcement officer, to have~~

3322 ~~unrestricted right to enter the boundary of the hotel and each sublicense premises.]~~

3323 (2) (a) A hotel license expires on October 31 of each year.

3324 (b) To renew a person's hotel license, the person shall comply with the requirements of

3325 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

3326 (3) (a) The nonrefundable application fee for a hotel license is \$500.

3327 (b) The initial license fee for a hotel license is calculated as follows:

3328 (i) ~~[\$5,000]~~ if three sublicenses are being applied for under the hotel license, \$5,000; or

3329 (ii) if more than three sublicenses are being applied for under the hotel license, the sum

3330 of:

3331 (A) \$5,000; and

3332 (B) \$2,000 for each sublicense in excess of three sublicenses for which the person is

3333 applying.

3334 (c) The renewal fee for a hotel license is \$1,000 for each sublicense under the hotel

3335 license.

3336 (4) (a) The bond amount required for a hotel license is the penal sum of \$10,000.

3337 (b) A hotel licensee is not required to have a separate bond for each sublicense, except

3338 that the aggregate of the bonds posted by the hotel licensee shall cover each sublicense under

3339 the hotel license.

3340 (5) The commission may not issue a hotel license that includes a building under the

3341 hotel license that does not meet the proximity requirements of Section [32B-1-202](#).

3342 (6) In accordance with Subsection [32B-8d-103\(4\)](#), a hotel licensee may request to add a

3343 sublicense after the commission issues the hotel licensee's hotel license.

3344 Section 51. Section **32B-8b-301** is amended to read:

3345 **32B-8b-301. Specific operational requirements for hotel license.**

3346 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
3347 Requirements, a hotel licensee, staff of the hotel licensee, and a sublicensee or person  
3348 otherwise operating under a sublicense shall comply with this section.

3349 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
3350 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3351 (i) [~~a~~] the hotel licensee;

3352 (ii) individual staff of [~~a~~] the hotel licensee;

3353 (iii) a sublicensee or person otherwise operating under a sublicense of the hotel  
3354 licensee;

3355 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense  
3356 of the hotel licensee; or

3357 (v) any combination of the persons listed in this Subsection (1)(b).

3358 (2) (a) A hotel licensee may not sell, offer for sale, or furnish an alcoholic product  
3359 except:

3360 (i) on [~~a sublicense~~] sublicensed premises;

3361 (ii) pursuant to a permit issued under this title; or

3362 (iii) under a package agency agreement with the department, subject to Chapter 2, Part  
3363 6, Package Agency.

3364 (b) A hotel licensee who sells, offers for sale, or furnishes an alcoholic product as  
3365 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3366 (i) [~~except as provided in Section 32B-8b-302;~~] if on [~~a sublicense~~] sublicensed  
3367 premises, in accordance with the operational requirements [under the provisions applicable to  
3368 the sublicense] described in Section 32B-8d-104;

3369 (ii) if under a permit issued under this title, in accordance with the operational  
3370 requirements under the provisions applicable to the permit; and

3371 (iii) if as a package agency, in accordance with the contract with the department and  
3372 Chapter 2, Part 6, Package Agency.

3373 (c) Notwithstanding the other provisions of this Subsection (2), a hotel licensee may  
3374 not permit a patron to carry an alcoholic product off the premises of a sublicense in violation of  
3375 Section 32B-5-307 or off an area designated under a permit.

3376 [~~(3)~~] A hotel licensee shall comply with Subsections ~~32B-5-301~~(4) and (5) within the  
3377 boundary of the hotel.]

3378 [~~(4)~~] (3) A hotel licensee shall supervise and direct a person involved in the sale, offer  
3379 for sale, or furnishing of an alcoholic product under a hotel license.

3380 [~~(5)~~] (4) (a) Room service of an alcoholic product to a lodging accommodation of a  
3381 hotel licensee shall be provided in person by staff of [a] the hotel licensee only to an adult  
3382 occupant in the lodging accommodation.

3383 (b) An alcoholic product may not be left outside a lodging accommodation for retrieval  
3384 by an occupant.

3385 [~~(6)~~] (7) A hotel licensee shall operate in a manner so that at least 70% of the annual  
3386 aggregate of the gross receipts related to the sale of food or beverages for the hotel license and  
3387 each of the hotel license's sublicenses is from the sale of food, not including:

3388 (a) mix for an alcoholic product; and

3389 (b) a charge in connection with the service of an alcoholic product.

3390 Section 52. Section **32B-8b-401** is amended to read:

3391 **32B-8b-401. Enforcement of operational requirements for hotel license or**  
3392 **sublicense.**

3393 [~~(1)(a)~~] (1) Failure by a person described in Subsection [~~(1)(b)~~] (2) to comply with this  
3394 chapter or [~~an operational requirement under a provision applicable to a sublicense~~] Chapter  
3395 8d, Sublicense Act, may result in disciplinary action in accordance with Chapter 3, Disciplinary  
3396 Actions and Enforcement Act, against:

3397 [~~(i)~~] (a) [a] the hotel licensee;

3398 [~~(ii)~~] (b) individual staff of [a] the hotel licensee;

3399 [~~(iii)~~] (c) a sublicensee or person otherwise operating under a sublicense of the hotel  
3400 licensee;

3401 [~~(iv)~~] (d) individual staff of a sublicensee or person otherwise operating under a  
3402 sublicense of the hotel licensee; or

3403 [~~(v)~~] (e) any combination of the persons listed in this Subsection (1)[~~(a)~~].

3404 [~~(b)~~] (2) [~~This~~] Subsection (1) applies to:

3405 [~~(i)~~] (a) a hotel licensee;

3406 [~~(ii)~~] (b) a sublicensee or person operating under a sublicense of a hotel licensee; or

3407 [(iii)] (c) staff of a hotel licensee or sublicensee or other person operating under a  
3408 sublicense of a hotel licensee.

3409 [~~2~~] ~~An operational requirement applicable to a person operating under a sublicense is~~  
3410 ~~enforced as provided by the provisions applicable to the sublicense.]~~

3411 Section 53. Section **32B-8c-101** is enacted to read:

3412 **CHAPTER 8c. ARENA LICENSE ACT**

3413 **32B-8c-101. Title.**

3414 This chapter is known as the "Arena License Act."

3415 Section 54. Section **32B-8c-102** is enacted to read:

3416 **32B-8c-102. Definitions.**

3417 Reserved

3418 Section 55. Section **32B-8c-201** is enacted to read:

3419 **32B-8c-201. Commission's power to issue an arena license.**

3420 (1) Before a person as an arena under a single license may store, sell, offer for sale,  
3421 furnish, or allow the consumption of an alcoholic product on sublicensed premises, the person  
3422 shall first obtain an arena license from the commission in accordance with this part.

3423 (2) (a) Beginning November 1, 2020, the commission may issue to a person an arena  
3424 license to allow the storage, sale, offer for sale, furnishing, and consumption of an alcoholic  
3425 product in connection with the arena designated in the arena license, if the person operates at  
3426 least three sublicenses under the arena license, including:

3427 (i) one of which is an on-premise banquet sublicense;

3428 (ii) one of which is:

3429 (A) a full-service restaurant sublicense;

3430 (B) a limited-service restaurant sublicense;

3431 (C) a beer-only restaurant sublicense; or

3432 (D) a bar establishment sublicense; and

3433 (iii) one of which is an on-premise beer retailer sublicense that is not a tavern.

3434 (b) An arena license shall:

3435 (i) consist of:

3436 (A) a general arena license; and

3437 (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

3438 (ii) designate the enclosed building that is the arena.

3439 (c) This chapter does not prohibit an alcoholic product in an arena to the extent  
3440 otherwise permitted by this title.

3441 (3) The commission may not issue a total number of arena licenses that at any time  
3442 totals more than 10.

3443 Section 56. Section **32B-8c-202** is enacted to read:

3444 **32B-8c-202. Specific licensing requirements for arena license.**

3445 (1) To obtain an arena license, in addition to complying with Chapter 5, Part 2, Retail  
3446 Licensing Process, a person shall submit with the person's written application:

3447 (a) evidence:

3448 (i) of proximity of the arena to any community location;

3449 (ii) that each proposed sublicense premises is entirely within the arena; and

3450 (iii) that the building designated in the application as the arena qualifies as an arena;

3451 and

3452 (b) a description and map of the arena.

3453 (2) (a) An arena license expires on October 31 of each year.

3454 (b) To renew a person's arena license, the person shall comply with the requirements of  
3455 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

3456 (3) (a) The nonrefundable application fee for an arena license is \$500.

3457 (b) The initial license fee for an arena license is calculated as follows:

3458 (i) if the person applies for three sublicenses under the arena license, \$5,000; or

3459 (ii) if the person applies for more than three sublicenses under the arena license, the  
3460 sum of:

3461 (A) \$5,000; and

3462 (B) \$1,000 for each sublicense in excess of three sublicenses for which the person  
3463 applies.

3464 (c) The renewal fee for an arena license is \$1,000 plus \$1,000 for each sublicense  
3465 under the arena license.

3466 (4) (a) The bond amount required for an arena license is the penal sum of \$100,000.

3467 (b) An arena licensee is not required to have a separate bond for each sublicense,

3468 except that the aggregate of the bonds posted by the arena licensee shall cover each sublicense



3469 under the arena license.

3470 (5) In accordance with Subsection 32B-8d-103(4), an arena may request to add a  
3471 sublicense after the commission issues the arena licensee's arena license.

3472 Section 57. Section **32B-8c-301** is enacted to read:

3473 **32B-8c-301. Specific operational requirements for arena license.**

3474 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensing Operational  
3475 Requirements, an arena licensee, staff of the arena licensee, and a sublicensee or person  
3476 otherwise operating under a sublicense shall comply with this section.

3477 (b) Failure to comply as provided in Subjection (1)(a) may result in disciplinary action  
3478 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3479 (i) the arena licensee;

3480 (ii) individual staff of the arena licensee;

3481 (iii) a sublicensee or person otherwise operating under a sublicense of the arena  
3482 licensee;

3483 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense;

3484 or

3485 (v) any combination of the persons listed in Subsections (1)(b)(i) through (iv).

3486 (2) (a) An arena licensee may not sell, offer for sale, or furnish an alcoholic product  
3487 except:

3488 (i) on sublicensed premises;

3489 (ii) pursuant to a permit issued under this title; or

3490 (iii) under a package agency agreement with the department, subject to Chapter 2, Part  
3491 6, Package Agency.

3492 (b) An arena licensee who sells, offers for sale, or furnishes an alcoholic product as  
3493 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3494 (i) if on sublicensed premises, in accordance with the operational requirements  
3495 described in Section 32B-8d-104;

3496 (ii) if under a permit issued under this title, in accordance with the operational  
3497 requirements under the provisions applicable to the permit; and

3498 (iii) if as a package agency, in accordance with the contract with the department and  
3499 Chapter 2, Part 6, Package Agency.

3500 (3) An arena licensee shall operate in a manner so that at least 70% of the annual  
3501 aggregate of the gross receipts related to the sale of food and beverages for the arena license  
3502 and each of the arena license's sublicenses is from the sale of food, not including:

- 3503 (a) mix for an alcoholic product; and
- 3504 (b) a charge in connection with the service of an alcoholic product.

3505 (4) An arena licensee shall, directly or indirectly, supervise and direct a person  
3506 involved in the sale, offer for sale, or furnishing of an alcoholic product under an arena license.

3507 Section 58. Section **32B-8c-401** is enacted to read:

3508 **32B-8c-401. Enforcement.**

3509 (1) Failure by a person described in Subsection (2) to comply with this chapter or  
3510 Chapter 8d, Sublicense Act, may result in disciplinary action in accordance with Chapter 3,  
3511 Disciplinary Actions and Enforcement Act, against:

- 3512 (a) the arena licensee;
- 3513 (b) individual staff of the arena licensee;
- 3514 (c) a sublicensee or a person otherwise operating under a sublicense of the arena  
3515 licensee;

3516 (d) individual staff of a sublicensee or person otherwise operating under a sublicense of  
3517 the arena licensee; or

3518 (e) any combination of the persons listed in Subsections (1)(a) through (d).

3519 (2) Subsection (1) applies to:

- 3520 (a) an arena licensee;
- 3521 (b) a sublicensee or person operating under a sublicense of an arena licensee;
- 3522 (c) staff of an arena licensee or sublicensee or other person operating under a  
3523 sublicense of the arena licensee.

3524 Section 59. Section **32B-8d-101** is enacted to read:

3525 **CHAPTER 8d. SUBLICENSE ACT**

3526 **32B-8d-101. Title.**

3527 This chapter is known as the "Sublicense Act."

3528 Section 60. Section **32B-8d-102** is enacted to read:

3529 **32B-8d-102. Definitions.**

3530 As used in this chapter:

- 3531 (1) "Hospitality guest" means an individual:  
3532 (a) (i) who is a resident;  
3533 (ii) for whom an owner of a dwelling located within a resort building provides lodging  
3534 accommodations;  
3535 (iii) for whom a hotel licensee provides lodging accommodations; or  
3536 (iv) for whom a resort licensee provides lodging accommodations; and  
3537 (b) who is at least 21 years of age.  
3538 (2) "Invitee" means an individual who in accordance with this part is authorized to use  
3539 a resort spa by a host who is a resident.  
3540 (3) "Resident" means the same as that term is defined in Section [32B-8-102](#).  
3541 (4) "Resort building" means the same as that term is defined in Section [32B-8-102](#).  
3542 (5) "Resort spa" means a spa:  
3543 (a) as the commission defines by rule made in accordance with Title 63G, Chapter 3,  
3544 Utah Administrative Rulemaking Act; and  
3545 (b) that is within the boundary of a resort building.  
3546 Section 61. Section **32B-8d-103** is enacted to read:  
3547 **32B-8d-103. Commission's power to issue a sublicense.**  
3548 (1) Before a person as a sublicensee may store, sell, offer for sale, furnish, or allow the  
3549 consumption of an alcoholic product on sublicensed premises, the person shall first obtain a  
3550 sublicense from the commission in accordance with:  
3551 (a) this chapter;  
3552 (b) Chapter 8, Resort License Act;  
3553 (c) Chapter 8b, Hotel License Act; and  
3554 (d) Chapter 8c, Arena License Act.  
3555 (2) (a) The commission may issue to a person a sublicense to allow the storage, sale,  
3556 offering for sale, furnishing, or consumption of an alcoholic product on the premises of the  
3557 sublicense, if the person is:  
3558 (i) a principal licensee; or  
3559 (ii) a person seeking a principal license, contingent on the issuance of the principal  
3560 license.  
3561 (b) The commission may not:

3562 (i) issue a sublicense that is separate from a principal license; or  
3563 (ii) issue a single sublicense that covers more than one outlet in or on the boundaries of  
3564 the principal licensee.

3565 (3) (a) Subject to Subsections (3)(b) and (c), when determining the total number of  
3566 licenses the commission has issued for each type of retail license, the commission may not  
3567 include a sublicense as one of the retail licenses issued under the provisions applicable to that  
3568 sublicense.

3569 (b) If a principal license includes a bar establishment sublicense that before the  
3570 issuance of the principal license was a bar establishment license, the commission shall include  
3571 the bar establishment sublicense as a bar establishment license in calculating the total number  
3572 of licenses issued under the provisions applicable to a bar establishment license.

3573 (c) If a resort license includes a sublicense that before the issuance of the resort license  
3574 was a retail license, the commission shall include the sublicense as a license in calculating the  
3575 total number of licenses issued under the provisions applicable to the sublicense.

3576 (4) If a principal licensee seeks to add a sublicense after the commission issues the  
3577 person's principal license, the principal licensee shall file with the department:

3578 (a) a nonrefundable \$300 application fee;

3579 (b) an initial license fee of \$2,250, which the commission shall refund if the  
3580 commission does not issue the proposed sublicense;

3581 (c) written consent of the local authority;

3582 (d) a copy of:

3583 (i) the principal licensee's current business; and

3584 (ii) the proposed sublicensee's current business license, if the relevant political  
3585 subdivision determines that the proposed sublicensee's business license is separate from the  
3586 principal licensee's business license;

3587 (e) evidence that the proposed sublicensed premises is entirely within the boundary of  
3588 the principal license;

3589 (f) a description, floor plan, and boundary map of the proposed sublicensed premises  
3590 designating:

3591 (i) each location at which the principal licensee proposes that an alcoholic product be  
3592 stored; and

3593 (ii) each location from which the principal licensee proposes that an alcoholic product  
3594 be sold, furnished, or consumed;

3595 (g) evidence that the principal licensee carries:

3596 (i) public liability insurance in an amount and form satisfactory to the department; and

3597 (ii) dramshop insurance coverage in the amount required by Section [32B-5-201](#) that  
3598 covers the proposed sublicense;

3599 (h) a signed consent form stating that the principal licensee will permit any authorized  
3600 representative of the commission or department, or any law enforcement officer, to have an  
3601 unrestricted right to enter the proposed sublicensed premises;

3602 (i) if the principal licensee is an entity, proper verification evidencing that a person  
3603 who signs the application is authorized to sign on behalf of the entity; and

3604 (j) any other information the commission or department may require.

3605 Section 62. Section **32B-8d-104** is enacted to read:

3606 **32B-8d-104. General operational requirements for a sublicense.**

3607 (1) Except as provided in Subsections (2) and (3), a person operating under a  
3608 sublicense is subject to the operational requirements under the provisions applicable to the  
3609 sublicense.

3610 (2) Notwithstanding a requirement in the provisions applicable to the sublicense, a  
3611 person operating under the sublicense is not subject to a requirement that a certain percentage  
3612 of the gross receipts for the sublicense be from the sale of food, except to the extent that the  
3613 gross receipts for the sublicense are included in calculating the percentages under Subsections  
3614 [32B-8-401](#)(3), [32B-8b-301](#)(7), and [32B-8c-301](#)(3).

3615 (3) Notwithstanding Sections [32B-6-202](#) and [32B-6-302](#), a bar structure in a  
3616 sublicensed premises operated under a full-service restaurant sublicense or a limited-service  
3617 restaurant sublicense is considered a grandfathered bar structure if the sublicense is a  
3618 sublicense to a resort license issued on or before December 31, 2010.

3619 (4) Except as provided in Section [32B-8-502](#), for purposes of interpreting an  
3620 operational requirement imposed by the provisions applicable to a sublicense:

3621 (a) a requirement imposed on a sublicensee or person operating under a sublicense  
3622 applies to the principal licensee; and

3623 (b) a requirement imposed on staff of a sublicensee or person operating under a

3624 sublicense applies to staff of the principal licensee.

3625 Section 63. Section **32B-8d-105** is enacted to read:

3626 **32B-8d-105. Enforcement of operational requirements.**

3627 (1) Except as provided in Subsection [32B-8-502\(2\)](#) and in addition to Subsection (2),  
 3628 failure by a person to comply with this chapter or an operational requirement under a provision  
 3629 applicable to a sublicense may result in disciplinary action in accordance with Chapter 3,  
 3630 Disciplinary Actions and Enforcement Act, against:

3631 (a) a principal licensee;

3632 (b) individual staff of a principal licensee;

3633 (c) a sublicensee or person otherwise operating under a sublicense;

3634 (d) individual staff of a sublicensee or person otherwise operating under a sublicense;

3635 or

3636 (e) any combination of the persons listed in Subsections (1)(a) through (d).

3637 (2) An operational requirement applicable to a sublicensee or person operating under a  
 3638 sublicense is enforced as provided by the provisions applicable to the sublicense.

3639 Section 64. Section **32B-8d-201** is enacted to read:

3640 **Part 2. Resort Spa Sublicense**

3641 **32B-8d-201. Title.**

3642 This part is known as "Resort Spa Sublicense."

3643 Section 65. Section **32B-8d-202**, which is renumbered from Section 32B-8-301 is  
 3644 renumbered and amended to read:

3645 ~~[32B-8-301].~~ **32B-8d-202. Commission's power to issue resort spa**  
 3646 **sublicense.**

3647 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of  
 3648 an alcoholic product on ~~[its]~~ the person's premises as a resort spa sublicensee, a resort licensee  
 3649 or a person applying for a resort license shall first obtain a resort spa sublicense from the  
 3650 commission in accordance with this part.

3651 (2) The commission may only issue a resort spa sublicense to ~~[establish a resort spa~~  
 3652 ~~license within the boundary of a resort building for the storage, sale, offer for sale, furnishing,~~  
 3653 ~~and consumption of liquor on premises operated as a resort spa.]:~~

3654 (a) a resort licensee; or

3655 (b) a person applying for a resort license, contingent on the issuance of the resort  
3656 license.

3657 (3) The resort spa sublicense premises shall fall entirely within the boundary of a resort  
3658 building that is part of the resort to which the resort spa sublicense is connected.

3659 Section 66. Section **32B-8d-203**, which is renumbered from Section 32B-8-302 is  
3660 renumbered and amended to read:

3661 ~~[32B-8-302].~~ **32B-8d-203. Specific licensing requirements for resort spa**  
3662 **sublicense.**

3663 (1) (a) [A] In accordance with Subsection 32B-8d-103(2), a person may not file a  
3664 written application with the department to obtain a resort spa sublicense that is separate from  
3665 the application of the resort license, unless the person seeks the resort spa sublicense [is being  
3666 sought] after the [issuing of] commission issues the person a resort license.

3667 ~~[(2)]~~ (b) If a resort licensee seeks to add a resort spa sublicense after its resort license is  
3668 issued, the resort licensee shall comply with Subsection ~~[32B-8-204(3)(b)]~~ 32B-8d-103(4).

3669 ~~[(3)]~~ (2) (a) A resort spa sublicense expires on October 31 of each year.

3670 (b) A resort licensee desiring to renew the resort licensee's resort spa sublicense shall  
3671 renew the resort spa sublicense as part of renewing the resort license.

3672 (c) Failure to meet the renewal requirements for a resort license results in an automatic  
3673 forfeiture of the resort spa sublicense effective on the date the resort license expires.

3674 Section 67. Section **32B-8d-204**, which is renumbered from Section 32B-8-303 is  
3675 renumbered and amended to read:

3676 ~~[32B-8-303].~~ **32B-8d-204. Specific qualifications for resort spa sublicense.**

3677 (1) A person employed to act in a supervisory or managerial capacity for the resort spa  
3678 sublicense is subject to qualification requirements of Section ~~[32B-8-203]~~ 32B-1-304 for  
3679 licensees.

3680 (2) If a person no longer possesses the qualifications required by Section ~~[32B-8-203]~~  
3681 32B-1-304 for obtaining the resort license or resort spa sublicense, the commission may  
3682 suspend or revoke the resort spa sublicense that is part of the resort license.

3683 Section 68. Section **32B-8d-205**, which is renumbered from Section 32B-8-304 is  
3684 renumbered and amended to read:

3685 ~~[32B-8-304].~~ **32B-8d-205. Specific operational requirements for resort spa**

3686 **sublicense.**

3687 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
3688 Requirements, a resort licensee[;] and staff of the resort licensee[; or a person otherwise related  
3689 to a resort spa sublicense] shall comply with this section.

3690 (b) A resort spa sublicensee or a person otherwise operating under a resort spa  
3691 sublicense and staff of a resort spa sublicensee or a person otherwise operating under a resort  
3692 spa sublicense shall comply with:

3693 (i) Chapter 5, Part 3, Retail Licensee Operational Requirements as if the resort spa  
3694 sublicensee is a retail licensee, unless a provision conflicts with this chapter; and

3695 (ii) this chapter.

3696 ~~[(b)]~~ (c) Subject to Section 32B-8-502, failure to comply as provided in Subsection  
3697 (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
3698 Enforcement Act, against:

3699 (i) a ~~[retail]~~ resort licensee;

3700 (ii) staff of the ~~[retail]~~ resort licensee;

3701 (iii) a resort spa sublicensee or person otherwise [related to] operating under a resort  
3702 spa sublicense; [or]

3703 (iv) individual staff of a resort spa sublicensee or person otherwise operating under a  
3704 resort spa sublicense; or

3705 ~~[(iv)]~~ (v) any combination of the persons listed in [this Subsection (1)(b)] Subsections  
3706 (1)(c)(i) through (iv).

3707 (2) (a) For purposes of the resort spa sublicense, the resort licensee shall ensure that ~~[a~~  
3708 ~~record required by this title is maintained, and]~~ a record is maintained or used for the resort spa  
3709 sublicense:

3710 (i) as the department requires; and

3711 (ii) for a minimum period of three years.

3712 (b) A resort spa sublicensee record is subject to inspection by an authorized  
3713 representative of the commission and the department.

3714 (c) A resort licensee shall allow the department, through ~~[an auditor or examiner]~~ a  
3715 compliance officer of the department, to audit the records for a resort spa sublicense at the  
3716 times the department considers advisable.



3717 (d) The department shall audit the records for a resort spa sublicense at least once  
3718 annually.

3719 (e) Section 32B-1-205 applies to a record required to be made, maintained, or used in  
3720 accordance with this Subsection (2).

3721 (3) (a) A resort spa sublicensee or person operating under a resort spa sublicense may  
3722 not sell, offer for sale, or furnish liquor at a resort spa during a period that:

3723 (i) begins at 1 a.m.; and

3724 (ii) ends at 9:59 a.m.

3725 (b) A resort spa sublicensee or person operating under a resort spa sublicense may sell,  
3726 offer for sale, or furnish beer during the hours specified in Chapter 6, Part 7, On-Premise Beer  
3727 Retailer License, for an on-premise beer retailer.

3728 (c) (i) Notwithstanding Subsections (3)(a) and (b), a resort spa shall remain open for  
3729 one hour after the resort spa ceases the sale and furnishing of an alcoholic product during  
3730 which time a person at the resort spa may finish consuming:

3731 (A) a single drink containing spirituous liquor;

3732 (B) a single serving of wine not exceeding five ounces;

3733 (C) a single serving of heavy beer;

3734 (D) a single serving of beer not exceeding 26 ounces; or

3735 (E) a single serving of a flavored malt beverage.

3736 (ii) A resort spa is not required to remain open:

3737 (A) after all [~~persons~~] individuals have vacated the resort spa [~~sublicense~~] sublicensee's  
3738 sublicensed premises; or

3739 (B) during an emergency.

3740 (4) (a) A minor may not be admitted into, use, or be on [~~:(a)] the [~~sublicense~~]  
3741 sublicensed premises of a resort spa sublicense unless accompanied by [~~a person~~] an individual  
3742 21 years of age or older [~~;-or~~].~~

3743 (b) A minor permitted under Subsection (4)(a) to be admitted into, use, or be on the  
3744 sublicensed premises of a resort spa sublicense:

3745 [~~(b)~~] (i) may only be admitted into or be on a lounge or bar area of the resort spa  
3746 [~~sublicense~~] sublicensee's sublicensed premises [~~;-]~~ momentarily while en route to another area  
3747 of the resort spa; and

3748           (ii) may not remain or sit in the lounge or bar area of the resort spa sublicensee's  
3749 sublicensed premises.

3750           (5) A resort spa sublicensee shall have food available at all times when an alcoholic  
3751 product is sold, offered for sale, furnished, or consumed on the resort spa [~~sublicense~~]  
3752 sublicensee's sublicensed premises.

3753           (6) (a) Subject to the other provisions of this Subsection (6), a patron may not have  
3754 more than two alcoholic products of any kind at a time before the patron.

3755           (b) A resort spa patron may not have two spirituous liquor drinks before the resort spa  
3756 patron if one of the spirituous liquor drinks consists only of the primary spirituous liquor for  
3757 the other spirituous liquor drink.

3758           (c) An individual portion of wine is considered to be one alcoholic product under this  
3759 Subsection (6).

3760           (7) (a) An alcoholic product may only be consumed at a table or counter.

3761           (b) An alcoholic product may not be served to or consumed by a patron at a dispensing  
3762 structure.

3763           (8) (a) A resort spa sublicensee or person operating under a resort spa sublicense shall  
3764 have available on the resort spa [~~sublicense~~] sublicensee's sublicensed premises for a patron to  
3765 review at the time that the patron requests it, a written alcoholic product price list or a menu  
3766 containing the price of an alcoholic product sold or furnished by the resort spa sublicensee  
3767 including:

- 3768           (i) a set-up charge;
- 3769           (ii) a service charge; or
- 3770           (iii) a chilling fee.

3771           (b) A charge or fee made in connection with the sale, service, or consumption of liquor  
3772 may be stated in food or alcoholic product menus including:

- 3773           (i) a set-up charge;
- 3774           (ii) a service charge; or
- 3775           (iii) a chilling fee.

3776           (9) (a) A resort licensee shall own or lease premises suitable for the resort [~~spa's~~] spa  
3777 sublicensee's activities.

3778           (b) A resort licensee may not maintain premises in a manner that barricades or conceals

3779 the resort spa sublicense's operation.

3780 (10) Subject to the other provisions of this section, a resort spa sublicensee or person  
 3781 operating under a resort spa sublicense may not sell an alcoholic product to or allow [a person]  
 3782 an individual to be admitted to or use the resort spa [~~sublicense~~] sublicensee's sublicensed  
 3783 premises other than:

3784 (a) a resident;

3785 (b) a [~~public~~] customer [~~who holds a valid customer card issued under Subsection~~  
 3786 ~~(12)~~]; or

3787 (c) an invitee.

3788 [~~(11) A person operating under a resort spa sublicense may allow an individual to be~~  
 3789 ~~admitted to or use the resort spa sublicense premises as an invitee subject to the following~~  
 3790 ~~conditions:]~~

3791 [~~(a) the individual shall be previously authorized by one of the following who agrees to~~  
 3792 ~~host the individual as an invitee into the resort spa:]~~

3793 [~~(i) a resident; or~~]

3794 [~~(ii) a public customer as described in Subsection (10);]~~

3795 [~~(b) the individual has only those privileges derived from the individual's host for the~~  
 3796 ~~duration of the invitee's visit to the resort spa; and]~~

3797 [~~(c) a resort licensee, resort spa, or staff of the resort licensee or resort spa may not~~  
 3798 ~~enter into an agreement or arrangement with a resident or public customer to indiscriminately~~  
 3799 ~~host a member of the general public into the resort spa as an invitee.]~~

3800 [~~(12) A person operating under a resort spa sublicense may issue a customer card to~~  
 3801 ~~allow an individual to enter and use the resort spa sublicense premises on a temporary basis~~  
 3802 ~~under the following conditions:]~~

3803 [~~(a) the resort spa may not issue a customer card for a time period that exceeds three~~  
 3804 ~~weeks;]~~

3805 [~~(b) the resort spa shall assess a fee to a public customer for a customer card;]~~

3806 [~~(c) the resort spa may not issue a customer card to a minor; and]~~

3807 [~~(d) a public customer may not host more than seven invitees at one time.]~~

3808 Section 69. Section **32B-8d-301** is enacted to read:

3809 **Part 3. Hospitality Amenity Sublicense**

3810 **32B-8d-301. Hospitality Amenity Sublicense.**

3811 This part is known as "Hospitality Amenity Sublicense."

3812 Section 70. Section **32B-8d-302** is enacted to read:

3813 **32B-8d-302. Commission's power to issue a hospitality amenity sublicense.**

3814 (1) Before a person may store, sell, offer for sale, furnish, or allow consumption of an  
3815 alcoholic product on the person's premises as a hospitality amenity sublicensee, the person  
3816 shall first obtain a hospitality amenity sublicense from the commission in accordance with this  
3817 part.

3818 (2) Beginning November 1, 2020, the commission may issue to a person a hospitality  
3819 amenity sublicense in accordance with this part.

3820 (3) The commission may only issue a hospitality amenity sublicense to:

3821 (a) a hotel licensee;

3822 (b) a resort licensee; or

3823 (c) a person applying for a hotel license or a resort license, contingent on the issuance  
3824 of the hotel license or resort license.

3825 (4) A hospitality amenity sublicense's sublicensed premises shall fall entirely within the  
3826 boundary of the hotel or resort to which the sublicense is connected.

3827 Section 71. Section **32B-8d-303** is enacted to read:

3828 **32B-8d-303. Specific licensing requirements for a hospitality amenity sublicense.**

3829 (1) In accordance with Subsection [38B-8d-103\(2\)](#), a person may not file a written  
3830 application with the department to obtain a hospitality amenity sublicense that is separate from  
3831 the person's application to obtain a hotel or resort license, unless the person seeks the  
3832 hospitality amenity sublicense after the commission issues the person a hotel or resort license.

3833 (2) If a person seeks to add a hospitality amenity sublicense after the person obtains a  
3834 hotel or resort license, the licensee shall comply with Subsection [32B-8d-103\(4\)](#).

3835 (3) (a) A hospitality amenity sublicense expires on October 31 of each year.

3836 (b) A licensee that seeks to renew the licensee's hospitality amenity sublicense shall  
3837 renew the hospitality amenity sublicense as part of renewing the licensee's hotel or resort  
3838 license.

3839 (c) Failure to meet the renewal requirements for a hotel or resort license results in an  
3840 automatic forfeiture of the hospitality amenity sublicense effective on the date the hotel or

3841 resort license expires.

3842 Section 72. Section **32B-8d-304** is enacted to read:

3843 **32B-8d-304. Specific operational requirements for hospitality amenity sublicense.**

3844 (1) (a) In addition to complying with the provisions applicable to a retail licensee under  
3845 Chapter 5, Part 3, Retail Licensee Operational Requirements, a hotel or resort licensee and staff  
3846 of a hotel or resort licensee shall comply with this section.

3847 (b) A hospitality amenity sublicensee or a person otherwise operating under a  
3848 hospitality amenity sublicense and staff of a hospitality amenity sublicensee or a person  
3849 otherwise operating under a hospitality amenity sublicense shall comply with:

3850 (i) Chapter 5, Part 3, Retail Licensee Operational Requirements as if the hospitality  
3851 amenity sublicensee is a retail licensee, unless a provision conflicts with this chapter; and

3852 (ii) this chapter.

3853 (c) As described in Section [32B-8b-401](#), failure to comply as provided in Subsection  
3854 (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
3855 Enforcement Act, against:

3856 (i) a hotel or resort licensee;

3857 (ii) individual staff of a hotel or resort licensee;

3858 (iii) a hospitality amenity sublicensee or person otherwise operating under a hospitality  
3859 amenity sublicense;

3860 (iv) individual staff of a hospitality amenity sublicensee or person otherwise operating  
3861 under a hospitality amenity sublicense; or

3862 (v) any combination of the persons listed in Subsections (1)(c)(i) through (iv).

3863 (2) (a) Subject to the provisions of this section, a hospitality amenity sublicensee may  
3864 sell, offer for sale, or furnish an alcoholic product:

3865 (i) to a hospitality guest; and

3866 (ii) for consumption on the hospitality amenity sublicensee's sublicensed premises.

3867 (b) (i) A hospitality amenity sublicensee may sell, offer for sale, or furnish an alcoholic  
3868 product that is not spirituous liquor in or on sublicensed premises:

3869 (A) physically separated from an area to which a hospitality guest or the public has  
3870 access by a permanent or temporary structure or barrier; or

3871 (B) described in Subsection (2)(b)(ii).

3872 (ii) A hospitality amenity sublicensee may sell, offer for sale, or furnish spirituous  
3873 liquor in or on sublicensed premises that:

3874 (A) allows access only through the use of a key or code; and

3875 (B) fills the entirety of a physically and permanently enclosed area within the  
3876 boundaries of the hotel or resort.

3877 (c) Spirituous liquor may not be in or on the sublicensed premises of a hospitality  
3878 amenity sublicensee as described in Subsection (2)(b)(i)(A), except for use:

3879 (i) as a flavoring on a dessert; or

3880 (ii) in the preparation of a flaming food dish or dessert.

3881 (d) A hospitality amenity sublicensee may not allow self-service of an alcoholic  
3882 product in or on the hospitality amenity sublicensee's sublicensed premises.

3883 (3) (a) Subject to Subsections (3)(b) and (c), a hospitality guest may not have more  
3884 than two alcoholic products of any kind at a time before the hospitality guest.

3885 (b) A hospitality guest may not have more than one spirituous liquor drink at a time  
3886 before the hospitality guest.

3887 (c) An individual portion of wine is considered to be one alcoholic product under  
3888 Subsection (7)(a).

3889 (4) A hospitality amenity sublicensee shall make food available at all times that the  
3890 sublicensee sells, offers for sale, furnishes, or allows the consumption of an alcoholic product  
3891 on the sublicensed premises.

3892 (5) (a) A hospitality amenity sublicensee may not sell, offer for sale, or furnish an  
3893 alcoholic product any day during a period that:

3894 (i) begins at 1:00 a.m.; and

3895 (ii) ends at 9:59 a.m.

3896 (b) A hospitality amenity sublicensee shall remain open for one hour after the  
3897 sublicensee ceases to sell and furnish an alcoholic product, during which time a hospitality  
3898 guest at the hospitality amenity may finish consuming:

3899 (i) a single drink containing spirituous liquor;

3900 (ii) a single serving of wine not exceeding five ounces;

3901 (iii) a single serving of heavy beer;

3902 (iv) a single serving of beer not exceeding 26 ounces; or

- 3903 (v) a single serving of a flavored malt beverage.
- 3904 (c) A hospitality amenity sublicensee is not required to remain open:
- 3905 (i) after all individuals have vacated the sublicensee's sublicensed premises; or
- 3906 (ii) during an emergency.
- 3907 (6) (a) Notwithstanding Section [32B-5-305](#), a hospitality amenity sublicensee may
- 3908 provide a hospitality guest an alcoholic product that is not a spirituous liquor free of charge or
- 3909 at a reduced rate, if the sublicensee offers the alcoholic product:
- 3910 (i) to all hospitality guests free of charge or at the reduced rate;
- 3911 (ii) during a specific time; and
- 3912 (iii) on the sublicensee's sublicensed premises.
- 3913 (b) Before a hospitality amenity sublicensee provides an alcoholic product free of
- 3914 charge or at a reduced rate as described in Subsection (6)(a), the sublicensee shall provide the
- 3915 department with advance notice, in accordance with commission rules that permit a sublicensee
- 3916 to provide a single notice for a reoccurring event or multiple events.
- 3917 (7) A hospitality amenity sublicensee may permit a hospitality guest to purchase an
- 3918 alcoholic product through a charge to the hospitality guest's lodging accommodations.
- 3919 (8) (a) A hospitality guest, or a person other than the hospitality amenity sublicensee or
- 3920 staff of the hospitality amenity sublicensee, may not remove an alcoholic product from the
- 3921 hospitality amenity sublicensee's sublicensed premises.
- 3922 (b) Notwithstanding Subsection [32B-5-307\(3\)](#), a hospitality guest may not bring an
- 3923 alcoholic product onto or into the hospitality amenity sublicensee's sublicensed premises.
- 3924 (9) A hospitality amenity sublicensee shall display at each entrance to the sublicensee's
- 3925 sublicensed premises a conspicuous sign that:
- 3926 (a) measures at least 8-1/2 inches long and 11 inches wide; and
- 3927 (b) clearly states that entry is limited to individuals who are hospitality guests as
- 3928 defined in this chapter.
- 3929 (10) A hospitality amenity sublicensee may not permit a minor to enter the
- 3930 sublicensee's sublicensed premises at any time during which an alcoholic product is sold,
- 3931 offered for sale, furnished, or consumed, unless the minor is accompanied at all times on the
- 3932 sublicensed premises by a hospitality guest.
- 3933 (11) A staff person of a hospitality amenity sublicensee shall remain on the sublicensed

3934 premises at all times when an alcoholic product is sold, offered for sale, furnished, or  
3935 consumed on the sublicensed premises.

3936 (12) A hospitality amenity sublicensee may transfer an alcoholic product to or from  
3937 another sublicense within the boundaries of the hotel or resort, if:

3938 (a) the hospitality amenity sublicense and each sublicensee involved in the transfer  
3939 tracks the transfer of the alcoholic product; and

3940 (b) the alcoholic product is in an unopened container.

3941 (13) (a) For purposes of the hospitality amenity sublicense, the hotel or resort licensee  
3942 shall ensure that a record required under this title is maintained and used for the hospitality  
3943 amenity sublicense:

3944 (i) as the department requires; and

3945 (ii) for a minimum period of three years.

3946 (b) An authorized representative of the commission or the department may inspect a  
3947 record described in this Subsection (13).

3948 (c) A hotel or resort licensee shall allow the department, through a compliance officer  
3949 of the department, to audit the records for a hospitality amenity sublicense at the times the  
3950 department considers advisable.

3951 (d) The department shall audit the records for a hospitality amenity sublicense at least  
3952 once annually.

3953 (e) Section 32B-1-205 applies to a record required to be made, maintained, or used in  
3954 accordance with this Subsection (13).

3955 Section 73. Section **32B-9-201** is amended to read:

3956 **32B-9-201. Application requirements for event permit.**

3957 (1) To obtain an event permit, a person shall submit to the department:

3958 (a) a written application in a form that the department prescribes;

3959 (b) an event permit fee:

3960 (i) in the amount specified in the relevant part under this chapter for the type of event  
3961 permit for which the person is applying; and

3962 (ii) that is refundable if an event permit is not issued;

3963 (c) written consent of the local authority;

3964 (d) a bond as specified by Section **32B-9-203**;



3965 (e) the times, dates, location, estimated attendance, nature, and purpose of the event;

3966 (f) a description or floor plan designating:

3967 (i) the area in which the person proposes that an alcoholic product be stored;

3968 (ii) the site from which the person proposes that an alcoholic product be sold, offered

3969 for sale, or furnished; and

3970 (iii) the area in which the person proposes that an alcoholic product be allowed to be

3971 consumed;

3972 (g) a signed consent form stating that the event permittee will permit any authorized

3973 representative of the commission, department, or any law enforcement officer to have

3974 unrestricted right to enter the premises during the event;

3975 (h) if the person is an entity, proper verification evidencing that a person who signs the

3976 application is authorized to sign on behalf of the entity; and

3977 (i) any other information as the commission or department may require.

3978 (2) If a person substantially changes the person's application under Subsection (1) after

3979 the person initially submits the application, the person shall pay to the department a fee:

3980 (a) in an amount the department prescribes in accordance with Section 63J-1-504; and

3981 (b) that is nonrefundable, regardless of whether the department issues an event permit.

3982 [~~2~~] (3) An entity applying for a permit need not meet the requirements of Subsections

3983 (1)(b), (c), and (d) if the entity is:

3984 (a) a state agency; or

3985 (b) a political subdivision of the state.

3986 [~~3~~] (4) The director may not issue an event permit to a person who is disqualified

3987 under Section 32B-1-304.

3988 [~~4~~] (5) (a) The proximity requirements of Section 32B-1-202 do not apply to an event

3989 permit.

3990 (b) Notwithstanding Subsection [~~4~~] (5)(a), nothing in this section prevents the

3991 director, the Compliance, Licensing, and Enforcement Subcommittee, or the commission from

3992 considering the proximity of an educational, religious, or recreational facility, or any other

3993 relevant factor in deciding whether to issue an event permit.

3994 Section 74. Section 32B-10-206 is amended to read:

3995 **32B-10-206. General operational requirements for special use permit.**

3996 (1) (a) A special use permittee and staff of the special use permittee shall comply with  
3997 this title and rules of the commission, including the relevant part of the chapter that applies to  
3998 the type of special use permit held by the special use permittee.

3999 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
4000 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

4001 (i) a special use permittee;

4002 (ii) individual staff of a special use permittee; or

4003 (iii) a special use permittee and staff of the special use permittee.

4004 (c) The commission may suspend or revoke a special use permit with or without cause.

4005 (2) (a) If there is a conflict between this part and the relevant part under this chapter for  
4006 the specific type of special use permit, the relevant part under this chapter governs.

4007 (b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," a  
4008 special use permittee may only purchase, use, store, sell, offer for sale, allow consumption, or  
4009 manufacture an alcoholic product authorized for the special use permit that is held by the  
4010 special use permittee.

4011 (c) Notwithstanding that this part or the relevant part under this chapter for the type of  
4012 special use permit held by a special use permittee refers to "special use permittee," a person  
4013 involved in the purchase, use, store, sell, offer for sale, allow consumption, or manufacture of  
4014 an alcoholic product for which the special use permit is issued is subject to the same  
4015 requirement or prohibition.

4016 (3) (a) A special use permittee shall make and maintain a record, as required by  
4017 commission rule, of any alcoholic product purchased, used, sold, or manufactured.

4018 (b) Section [32B-1-205](#) applies to a record required to be made or maintained in  
4019 accordance with this Subsection (3).

4020 (4) (a) Except as otherwise provided in this title, a special use permittee may not  
4021 purchase liquor except from a state store or package agency.

4022 (b) A special use permittee may transport liquor purchased by the special use permittee  
4023 in accordance with this Subsection (4) from the place of purchase to the special use permittee's  
4024 premises.

4025 (c) A special use permittee shall purchase liquor at prices set by the commission.

4026 (d) When authorized by a special use permit, a special use permittee may purchase and

4027 receive an alcoholic product directly from a manufacturer for a purpose that is industrial,  
4028 educational, scientific, or manufacturing.

4029 (e) A health care facility may purchase and receive an alcoholic product directly from a  
4030 manufacturer for use at the health care facility.

4031 (5) A special use permittee may not use, mix, store, sell, offer for sale, furnish,  
4032 manufacture, or allow consumption of an alcoholic product in a location other than as  
4033 designated in a special use permittee's application.

4034 (6) Except as otherwise provided, a special use permittee may not sell, offer for sale, or  
4035 furnish an alcoholic product to:

4036 (a) a minor;

4037 (b) a person actually, apparently, or obviously intoxicated;

4038 (c) a known interdicted person; or

4039 (d) a known habitual drunkard.

4040 (7) A special use permittee may not employ a minor to handle an alcoholic product.

4041 (8) (a) The location specified in a special use permit may not be transferred from one  
4042 location to another location, [~~without prior written approval of the commission~~], except as  
4043 provided in Chapter 8a, Transfer of Alcohol License Act.

4044 (b) A special use permittee may not sell, transfer, assign, exchange, barter, give, or  
4045 attempt in any way to dispose of the permit to another person whether for monetary gain or not,  
4046 except as provided in Chapter 8a, Transfer of Alcohol License Act.

4047 (9) A special use permittee may not purchase, use, mix, store, sell, offer for sale,  
4048 furnish, consume, or manufacture an alcoholic product for a purpose other than that authorized  
4049 by the special use permit.

4050 (10) The commission may prescribe by policy or rule consistent with this title, the  
4051 general operational requirements of a special use permittee relating to:

4052 (a) physical facilities;

4053 (b) conditions of purchase, use, storage, sale, consumption, or manufacture of an  
4054 alcoholic product;

4055 (c) purchase, storage, and sales quantity limitations; and

4056 (d) other matters considered appropriate by the commission.

4057 Section 75. Section **32B-11-208** is amended to read:

4058 **32B-11-208. General operational requirements for manufacturing license.**

4059 (1) (a) A manufacturing licensee and staff of the manufacturing licensee shall comply  
4060 with this title and the rules of the commission, including the relevant part of this chapter  
4061 applicable to the type of manufacturing license held by the manufacturing licensee.

4062 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
4063 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

4064 (i) a manufacturing licensee;

4065 (ii) individual staff of a manufacturing licensee; or

4066 (iii) a manufacturing licensee and staff of the manufacturing licensee.

4067 (2) A manufacturing licensee shall prominently display the manufacturing license on  
4068 the licensed premises.

4069 (3) (a) A manufacturing licensee shall make and maintain the records required by the  
4070 department.

4071 (b) Section 32B-1-205 applies to a record required to be made or maintained in  
4072 accordance with this Subsection (3).

4073 (4) A manufacturing licensee may not sell liquor within the state except to:

4074 (a) the department; or

4075 (b) a military installation.

4076 (5) A manufacturing license may not be transferred from one location to another  
4077 location, ~~[without prior written approval of the commission]~~ except as provided in Chapter 8a,  
4078 Transfer of Alcohol License Act.

4079 (6) (a) A manufacturing licensee may not sell, transfer, assign, exchange, barter, give,  
4080 or attempt in any way to dispose of the license to another person, whether for monetary gain or  
4081 not, except as provided in Chapter 8a, Transfer of Alcohol License Act.

4082 (b) A manufacturing license has no monetary value for any type of disposition.

4083 (7) A manufacturing licensee may not advertise ~~[its]~~ the manufacturing licensee's  
4084 product in violation of this title or any other federal or state law, except that nothing in this title  
4085 prohibits the advertising or solicitation of an order for industrial alcohol from a holder of a  
4086 special use permit.

4087 (8) A manufacturing licensee shall from time to time, on request of the department,  
4088 furnish for analytical purposes a sample of the alcoholic product that the manufacturing

4089 licensee has:

4090 (a) for sale; or

4091 (b) in the course of manufacture for sale in this state.

4092 (9) The commission may prescribe by policy or rule, consistent with this title, the

4093 general operational requirements of a manufacturing licensee relating to:

4094 (a) physical facilities;

4095 (b) conditions of storage, sale, or manufacture of an alcoholic product;

4096 (c) storage and sales quantity limitations; and

4097 (d) other matters considered appropriate by the commission.

4098 Section 76. Section **32B-11-403** is amended to read:

4099 **32B-11-403. Specific authority and operational requirements for distillery**

4100 **manufacturing license.**

4101 (1) A distillery manufacturing license allows a distillery manufacturing licensee to:

4102 (a) store, manufacture, transport, import, or export liquor;

4103 (b) sell liquor to:

4104 (i) the department;

4105 (ii) an out-of-state customer; and

4106 (iii) as provided in Subsection (2);

4107 (c) purchase an alcoholic product for mixing and manufacturing purposes if the

4108 department is notified of:

4109 (i) the purchase; and

4110 (ii) the date of delivery; ~~and~~

4111 (d) warehouse on ~~its~~ the distillery manufacturing licensee's licensed premises an

4112 alcoholic product that the distillery manufacturing licensee manufactures or purchases for

4113 manufacturing purposes[-];

4114 (e) if the distillery manufacturing licensee holds two or more distillery manufacturing

4115 licenses under this chapter, transport an alcoholic product from one of the distillery

4116 manufacturing licensee's licensed premises to another, if the transportation occurs for the

4117 purpose of:

4118 (i) continuing or completing the manufacturing process; or

4119 (ii) storing a bulk container or an alcoholic product that is distilled and packaged in the

4120 state, including the transport of an alcoholic product to a package store agency located at any of  
4121 the distillery manufacturing licensee's licensed premises; and

4122 (f) receive samples of an alcoholic product from a person outside the state for the sole  
4123 purpose of performing tests and analysis, if the distillery manufacturing licensee:

4124 (i) performs the tests and analysis in accordance with 27 C.F.R. Secs. 19.434(a), (c),  
4125 (d), (e), and (f), Secs. 19.435 through 19.437, and Sec. 19.616;

4126 (ii) keeps records of the samples received, including:

4127 (A) all data required under 27.C.F.R. Sec. 19.616;

4128 (B) a description of the sample; and

4129 (C) the date the distillery manufacturing licensee receives the sample; and

4130 (iii) upon request, provides the records described in Subsection (1)(f)(ii) to the  
4131 department.

4132 (2) (a) Subject to the other provisions of this Subsection (2), a distillery manufacturing  
4133 licensee may directly sell an alcoholic product to a person engaged within the state in:

4134 (i) a mechanical or industrial business that requires the use of an alcoholic product; or

4135 (ii) scientific pursuits that require the use of an alcoholic product.

4136 (b) A person who purchases an alcoholic product under Subsection (2)(a) shall hold a  
4137 valid special use permit issued in accordance with Chapter 10, Special Use Permit Act,  
4138 authorizing the use of the alcoholic product.

4139 (c) A distillery manufacturing licensee may sell to a special use permittee described in  
4140 Subsection (2)(b) an alcoholic product only in the type for which the special use permit  
4141 provides.

4142 (d) The sale of an alcoholic product under this Subsection (2) is subject to rules  
4143 prescribed by the department and the federal government.

4144 (3) The federal definitions, standards of identity and quality, and labeling requirements  
4145 for distilled liquor, in the regulations issued under Federal Alcohol Administration Act, 27  
4146 U.S.C. Sec. 201 et seq., are adopted to the extent the regulations are not contrary to or  
4147 inconsistent with laws of this state.

4148 (4) If considered necessary, the commission or department may require:

4149 (a) the alteration of the plant, equipment, or licensed premises;

4150 (b) the alteration or removal of unsuitable alcoholic product-making equipment or

4151 material;

4152 (c) a distillery manufacturing licensee to clean, disinfect, ventilate, or otherwise  
4153 improve the sanitary and working conditions of the plant, licensed premises, and equipment; or

4154 (d) that a record pertaining to the materials and ingredients used in the manufacture of  
4155 an alcoholic product be made available to the commission or department upon request.

4156 (5) A distillery manufacturing licensee may not permit an alcoholic product to be  
4157 consumed on ~~[its]~~ the distillery manufacturing licensee's premises, except that:

4158 (a) a distillery manufacturing licensee may allow ~~[its]~~ the distillery manufacturing  
4159 licensee's on-duty staff to taste on the licensed premises an alcoholic product that the distillery  
4160 manufacturing licensee manufactures on ~~[its]~~ the distillery manufacturing licensee's licensed  
4161 premises without charge, but only in connection with the on-duty staff's duties of  
4162 manufacturing the alcoholic product during the manufacturing process and not otherwise;

4163 (b) a distillery manufacturing licensee may allow a person who can lawfully purchase  
4164 an alcoholic product for wholesale or retail distribution to consume a bona fide sample of the  
4165 distillery manufacturing licensee's product on the licensed premises; and

4166 (c) a distillery manufacturing licensee may conduct tastings as provided in Section  
4167 [32B-11-210](#).

4168 Section 77. Section **41-6a-531** is enacted to read:

4169 **41-6a-531. Recording of alcohol source.**

4170 A peace officer who arrests the operator of a vehicle for violating a provision of this  
4171 title by driving under the influence of alcohol shall:

4172 (1) ask the operator where the operator obtained the alcoholic beverage the operator  
4173 consumed before driving; and

4174 (2) record information provided under Subsection (1) in the officer's incident report.

4175 Section 78. Section **63I-2-232** is amended to read:

4176 **63I-2-232. Repeal dates -- Title 32B.**

4177 (1) Subsection [32B-1-102](#)~~[(7)]~~[(9)] is repealed July 1, 2022.

4178 ~~[(2) Section [32B-1-207.1](#) is repealed November 1, 2019.]~~

4179 ~~[(3)]~~ (2) Subsection [32B-1-407](#)(3)(d) is repealed July 1, 2022.

4180 ~~[(4)]~~ (3) Section [32B-2-211.1](#) is repealed November 1, 2020.

4181 ~~[(5)]~~ (4) Subsections [32B-6-202](#)(3) and (4) are repealed July 1, 2022.

- 4182            ~~[(6)]~~ (5) Section [32B-6-205](#) is repealed July 1, 2022.
- 4183            ~~[(7)]~~ (6) Subsection [32B-6-205.2\(14\)](#) is repealed July 1, 2022.
- 4184            ~~[(8)]~~ (7) Section [32B-6-205.3](#) is repealed July 1, 2022.
- 4185            ~~[(9)]~~ (8) Subsections [32B-6-302\(3\)](#) and (4) are repealed July 1, 2022.
- 4186            ~~[(10)]~~ (9) Section [32B-6-305](#) is repealed July 1, 2022.
- 4187            ~~[(11)]~~ (10) Subsection [32B-6-305.2\(14\)](#) is repealed July 1, 2022.
- 4188            ~~[(12)]~~ (11) Section [32B-6-305.3](#) is repealed July 1, 2022.
- 4189            ~~[(13)]~~ (12) Section [32B-6-404.1](#) is repealed July 1, 2022.
- 4190            ~~[(14)]~~ (13) Section [32B-6-409](#) is repealed July 1, 2022.
- 4191            ~~[(15)]~~ (14) Subsection [32B-6-703\(2\)\(e\)\(iv\)](#) is repealed July 1, 2022.
- 4192            ~~[(16)]~~ (15) Subsections [32B-6-902\(1\)\(c\)](#), (1)(d), and (2) are repealed July 1, 2022.
- 4193            ~~[(17)]~~ (16) Section [32B-6-905](#) is repealed July 1, 2022.
- 4194            ~~[(18)]~~ (17) Subsection [32B-6-905.1\(15\)](#) is repealed July 1, 2022.
- 4195            ~~[(19)]~~ (18) Section [32B-6-905.2](#) is repealed July 1, 2022.
- 4196            ~~[(20) Subsection [32B-8-402\(1\)\(b\)](#) is repealed July 1, 2022.]~~
- 4197            (19) Subsection [32B-8d-104\(3\)](#) is repealed July 1, 2022.
- 4198            Section 79. **Repealer.**
- 4199            This bill repeals:
- 4200            Section [32B-8-203](#), **Specific qualifications for resort license.**
- 4201            Section [32B-8-204](#), **Commission and department duties before issuing resort**
- 4202 **license.**
- 4203            Section [32B-8-402](#), **Specific operational requirements for a sublicense.**
- 4204            Section [32B-8-503](#), **Enforcement of Nuisance Retail Licensee Act.**
- 4205            Section [32B-8b-203](#), **Qualifications for hotel license and sublicense.**
- 4206            Section [32B-8b-204](#), **Commission and department duties before issuing hotel**
- 4207 **license.**
- 4208            Section [32B-8b-302](#), **Specific operational requirements for a sublicense.**
- 4209            Section [32B-8b-402](#), **Enforcement of Nuisance Retail Licensee Act.**
- 4210            Section 80. **Effective date.**
- 4211            This bill takes effect on May 12, 2020, except that Section [32B-1-604](#) takes effect on
- 4212 November 1, 2020.