

**Representative Timothy D. Hawkes** proposes the following substitute bill:

**ALCOHOL AMENDMENTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Timothy D. Hawkes**

Senate Sponsor: Jerry W. Stevenson

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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



- 26 certain conditions;
- 27       ▶ amends provisions regarding the timing of reporting violations;
- 28       ▶ grants the department power to issue an order to show cause under certain
- 29 conditions;
- 30       ▶ amends provisions regarding multiple retail licenses operating on the same
- 31 premises;
- 32       ▶ amends provisions regarding bringing an alcoholic product onto or removing an
- 33 alcoholic product from licensed premises;
- 34       ▶ amends provisions regarding a retail licensee ceasing operation;
- 35       ▶ amends provisions regarding minors in or on the lounge or bar areas of certain
- 36 licensees;
- 37       ▶ amends the definition of recreational amenity;
- 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       ▶ creates a hospitality amenity license as a retail license and establishes operational
- 43 requirements;
- 44       ▶ prohibits one or more licensees from having a retail license on the same licensed
- 45 premises or adjacent to an off-premise beer retailer state licensee's licensed
- 46 premises, except under certain conditions;
- 47       ▶ amends the Transfer of Retail License Act to:
- 48           • govern the transfer of an off-premise beer retailer state license, a manufacturing
- 49 license, and an industrial or manufacturing use permit; and
- 50           • permit the transfer of a bar establishment license across county lines;
- 51       ▶ creates an arena license, including licensing requirements, operational requirements,
- 52 and enforcement;
- 53       ▶ consolidates provisions regarding sublicenses, creating the Sublicense Act;
- 54       ▶ requires a person who substantially changes an event permit application to pay a
- 55 nonrefundable fee;
- 56       ▶ repeals provisions regarding enforcement of the Nuisance Retail Licensee Act in

57 relation to hotel and resort licensees; and

58       ▶ makes technical and conforming changes.

59 **Money Appropriated in this Bill:**

60       None

61 **Other Special Clauses:**

62       None

63 **Utah Code Sections Affected:**

64 AMENDS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

85       **32B-5-309**, as and further amended by Revisor Instructions, Laws of Utah 2013,  
86 Chapter 349

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-6-1001](#), Utah Code Annotated 1953
- 134 [32B-6-1002](#), Utah Code Annotated 1953
- 135 [32B-6-1003](#), Utah Code Annotated 1953
- 136 [32B-6-1004](#), Utah Code Annotated 1953
- 137 [32B-6-1005](#), Utah Code Annotated 1953
- 138 [32B-8c-101](#), Utah Code Annotated 1953
- 139 [32B-8c-102](#), Utah Code Annotated 1953
- 140 [32B-8c-201](#), Utah Code Annotated 1953
- 141 [32B-8c-202](#), Utah Code Annotated 1953
- 142 [32B-8c-301](#), Utah Code Annotated 1953
- 143 [32B-8c-401](#), Utah Code Annotated 1953
- 144 [32B-8d-101](#), Utah Code Annotated 1953
- 145 [32B-8d-102](#), Utah Code Annotated 1953
- 146 [32B-8d-103](#), Utah Code Annotated 1953
- 147 [32B-8d-104](#), Utah Code Annotated 1953
- 148 [32B-8d-105](#), Utah Code Annotated 1953
- 149 [32B-8d-201](#), 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 license" means a license issued in accordance with Chapter,  
422 5, Retail License Act, and Chapter 6, Part 10, Hospitality Amenity License.
- 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) "Invitee" means the same as that term is defined in Section 32B-8-102.]~~  
464           ~~[(59)]~~ (60) "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)]~~ (61) "Licensee" means a person who holds a license.  
475           ~~[(61)]~~ (62) "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)]~~ (63) "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)]~~ (64) (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)~~] (65) "Liquor Control Fund" means the enterprise fund created by Section  
499 32B-2-301.  
500 [~~(65)~~] (66) "Liquor transport license" means a license issued in accordance with  
501 Chapter 17, Liquor Transport License Act.  
502 [~~(66)~~] (67) "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)~~] (68) "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)~~] (69) "Lounge or bar area" is as defined by rule made by the commission.  
516 [~~(69)~~] (70) "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)~~] (71) "Member" means an individual who, after paying regular dues, has full  
520 privileges in an equity licensee or fraternal licensee.  
521 [~~(71)~~] (72) (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)~~] (73) "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)~~] (74) "Minor" means an individual under the age of 21 years.

534 [~~(74)~~] (75) "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)~~] (76) "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)~~] (77) (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)~~] (78) "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)~~] (79) "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)~~] (80) "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)]~~ [\(81\)](#) "Opaque" means impenetrable to sight.

562 ~~[(81)]~~ [\(82\)](#) "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)]~~ [\(83\)](#) "Package agent" means a person who holds a package agency.

569 ~~[(83)]~~ [\(84\)](#) "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; or

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

578 ~~or]~~

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

580 (g) a hospitality guest, as defined in Section [32B-6-1002](#), under a hospitality amenity  
581 license.

582 ~~[(84)]~~ [\(85\)](#) (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)]~~ (86) "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)]~~ (87) "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)]~~ (87)(a) through (f); or

605 (ii) a package agent.

606 ~~[(87)]~~ (88) "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)]~~ (89) "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 (90) (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 (91) "Principal license" means:  
618 (a) a resort license;  
619 (b) a hotel license; or  
620 (c) an arena license.  
621 ~~[(89)]~~ (92) (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 (93) "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)]~~ (94) (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 (95) "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 hospitality amenity license, the provisions applicable to a hospitality amenity  
666 license under Chapter 6, Part 10, Hospitality Amenity Sublicense; and  
667 (h) for a resort spa sublicense, the provisions applicable to the sublicense under  
668 Chapter 8d, Part 2, Resort Spa License.

669 [~~91~~] (96) (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)~~] (97) "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)~~] (98) "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 (98)(a) to a third party for the third party's event.

687 [~~(94)~~] (99) "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)~~] (100) (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)~~] (101) "Residence" means a person's principal place of abode within Utah.

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

703 [~~(98)~~] (103) "Resort" means the same as that term is defined in Section [32B-8-102](#).

704 [~~(99)~~] (104) "Resort facility" is as defined by the commission by rule.

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

707 [~~(100)~~] (106) "Resort license" means a license issued in accordance with Chapter 5,

708 Retail License Act, and Chapter 8, Resort License Act.

709 ~~[(101)]~~ (107) "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)]~~ (108) "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 (109) "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)]~~ (110) "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 hospitality amenity license;

736 ~~[(1)]~~ (l) a resort license; ~~[or]~~

737 ~~[(1)]~~ (m) a hotel license~~[-];~~ or

738 (n) an arena license.



739 ~~[(104)]~~ (111) "Room service" means furnishing an alcoholic product to a person in a  
740 guest room of a:

741 (a) hotel; or

742 (b) resort facility.

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

745 (112) (a) "School" means a building in which any part is used for more than three  
746 hours each weekday during a school year as a public or private:

747 (i) elementary school;

748 (ii) secondary school; or

749 (iii) kindergarten.

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

751 (i) a nursery school;

752 (ii) a day care center;

753 (iii) a trade and technical school;

754 (iv) a preschool; or

755 (v) a home school.

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

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

764 ~~[(107)]~~ (115) "Serve" means to place an alcoholic product before an individual.

765 ~~[(108)]~~ (116) "Sexually oriented entertainer" means a person who while in a state of  
766 seminudity appears at or performs:

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

768 (b) on the premises of:

769 (i) a bar licensee; or

770 (ii) a tavern;

771 (c) on behalf of or at the request of the licensee described in Subsection [~~(108)~~]  
772 (116)(b);

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

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

775 (i) an employee;

776 (ii) an independent contractor;

777 (iii) an agent of the licensee; or

778 (iv) a different type of classification.

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

782 [~~(109)~~] (118) "Single event permit" means a permit issued in accordance with Chapter  
783 9, Part 3, Single Event Permit.

784 [~~(110)~~] (119) "Small brewer" means a brewer who manufactures less than 60,000  
785 barrels of beer, heavy beer, and flavored malt beverages per year.

786 [~~(111)~~] (120) "Small or unincorporated locality" means:

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

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

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

791 [~~(112)~~] (121) "Special use permit" means a permit issued in accordance with Chapter  
792 10, Special Use Permit Act.

793 [~~(113)~~] (122) (a) "Spirituous liquor" means liquor that is distilled.

794 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by  
795 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

796 [~~(114)~~] (123) "Sports center" is as defined by the commission by rule.

797 [~~(115)~~] (124) (a) "Staff" means an individual who engages in activity governed by this  
798 title:

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

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

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

805 (b) "Staff" includes:

806 (i) an officer;

807 (ii) a director;

808 (iii) an employee;

809 (iv) personnel management;

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

811 (vi) an operator; or

812 (vii) a representative.

813 [~~(116)~~] (125) "State of nudity" means:

814 (a) the appearance of:

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

816 (ii) a human genital;

817 (iii) a human pubic area; or

818 (iv) a human anus; or

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

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

821 (ii) a human genital;

822 (iii) a human pubic area; or

823 (iv) a human anus.

824 [~~(117)~~] (126) "State of seminudity" means a state of dress in which opaque clothing  
825 covers no more than:

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

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

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

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

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

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

833 [(118)] (127) (a) "State store" means a facility for the sale of packaged liquor:

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

835 (ii) operated by a state employee.

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

837 (i) a package agency;

838 (ii) a licensee; or

839 (iii) a permittee.

840 [(119)] (128) (a) "Storage area" means an area on licensed premises where the licensee  
841 stores an alcoholic product.

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

843 [(120)] (129) "Sublicense" means [~~the same as that term is defined in Section~~  
844 ~~32B-8-102 or 32B-8b-102.~~];

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

847 (i) a full-service restaurant license;

848 (ii) a limited-service restaurant license;

849 (iii) a bar establishment license;

850 (iv) an on-premise banquet license;

851 (v) an on-premise beer retailer license;

852 (vi) a beer-only restaurant license; or

853 (vii) a hospitality amenity license; or

854 (b) a resort spa sublicense.

855 [(121)] (130) "Supplier" means a person who sells an alcoholic product to the  
856 department.

857 [(122)] (131) "Tavern" means an on-premise beer retailer who is:

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

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

862 [(123)] (132) "Temporary beer event permit" means a permit issued in accordance with

863 Chapter 9, Part 4, Temporary Beer Event Permit.

864 [~~(124)~~] (133) "Temporary domicile" means the principal place of abode within Utah of  
865 a person who does not have a present intention to continue residency within Utah permanently  
866 or indefinitely.

867 [~~(125)~~] (134) "Translucent" means a substance that allows light to pass through, but  
868 does not allow an object or person to be seen through the substance.

869 [~~(126)~~] (135) "Unsaleable liquor merchandise" means a container that:

870 (a) is unsaleable because the container is:

871 (i) unlabeled;

872 (ii) leaky;

873 (iii) damaged;

874 (iv) difficult to open; or

875 (v) partly filled;

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

877 (ii) has contents that are:

878 (A) cloudy;

879 (B) spoiled; or

880 (C) chemically determined to be impure; or

881 (iii) contains:

882 (A) sediment; or

883 (B) a foreign substance; or

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

885 [~~(127)~~] (136) (a) "Wine" means an alcoholic product obtained by the fermentation of  
886 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or  
887 not another ingredient is added.

888 (b) "Wine" includes:

889 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.  
890 4.10; and

891 (ii) hard cider.

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

894            [~~(128)~~] (137) "Winery manufacturing license" means a license issued in accordance  
895 with Chapter 11, Part 3, Winery Manufacturing License.

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

897            **32B-1-202. Proximity to community location.**

898            (1) As used in this section:

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

900            (A) a state store;

901            (B) a package agency; or

902            (C) a retail licensee.

903            (ii) "Outlet" does not include:

904            (A) an airport lounge licensee; or

905            (B) a restaurant.

906            (b) "Restaurant" means:

907            (i) a full-service restaurant licensee;

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

909            (iii) a beer-only restaurant licensee.

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

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

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

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

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

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

928 (3) (a) For an outlet or a restaurant that holds a license on May 9, 2017, and operates  
929 under a previously approved variance to one or more proximity requirements in effect before  
930 May 9, 2017, subject to the other provisions of this title, that outlet or restaurant, or another  
931 outlet or restaurant with the same type of license as that outlet or restaurant, may operate under  
932 the previously approved variance regardless of whether:

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

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

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

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

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

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

960 (b) The provisions of this Subsection [~~(4)~~] (5) apply regardless of when the outlet's or

961 restaurant's license is issued.

962 [~~(5)~~] (6) Nothing in this section prevents the commission from considering the

963 proximity of an educational, religious, and recreational facility, or any other relevant factor in

964 reaching a decision on a proposed location of an outlet.

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

966 **32B-1-206. Advertising prohibited -- Exceptions.**

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

968 (i) the department may provide for an appropriate sign in the window or on the front of

969 a state store or package agency denoting that it is a state authorized liquor retail facility;

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

971 (iii) the department may authorize the use of price posting and floor stacking of liquor

972 within a state store;

973 (iv) subject to Subsection (1)(b), the department may provide a listing of the address

974 and telephone number of a state store in one or more printed or electronic directories available

975 to the general public; and

976 (v) subject to Subsection (1)(b), a package agency may provide a listing of its address

977 and telephone number in one or more printed or electronic directories available to the general

978 public.

979 (b) A listing under Subsection (1)(a)(iv) or (v) in the business or yellow pages of a

980 telephone directory may not be displayed in an advertisement or other promotional format.

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

982 (b) A package agency may not advertise an alcoholic product on a billboard, except to

983 the extent allowed by the commission by rule.

984 (3) (a) The department may not display liquor or a price list in a window or showcase

985 visible to passersby.

986 (b) A package agency may not display liquor or a price list in a window or showcase



987 visible to passersby, except to the extent allowed by the commission by rule.

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

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

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

991 [~~4~~] (5) Except to the extent prohibited by this title, the advertising of an alcoholic  
992 product is allowed under guidelines established by the commission by rule.

993 [~~5~~] (6) The advertising or use of any means or media to offer an alcoholic product to  
994 the general public without charge is prohibited.

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

996 **32B-1-208. Percentage lease agreements.**

997 (1) As used in this section:

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

999 (i) is a retail licensee; and

1000 (ii) pays the lessor:

1001 (A) a base rent; and

1002 (B) percentage rent.

1003 (b) "Percentage rent" means a percentage:

1004 (i) agreed upon between a lessor and lessee; and

1005 (ii) of the total sales revenue that:

1006 (A) exceed a fixed dollar amount of sales revenue; and

1007 (B) the lessee earns while doing business on the rental premises.

1008 (2) (a) The parties to a percentage lease agreement shall submit a copy of the  
1009 percentage lease agreement to the department.

1010 (b) If there is a material change to the percentage lease agreement submitted to the  
1011 department under Subsection (2)(a), the parties to the percentage lease agreement shall  
1012 promptly submit a copy of the changed percentage lease agreement to the department.

1013 (3) If a percentage lease agreement requires a retail licensee to pay the lessor a  
1014 percentage rent of 6% or less, the department may not conduct any further investigation into  
1015 the percentage lease agreement.

1016 (4) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah  
1017 Administrative Rulemaking Act, establishing:

1018           (a) the maximum percentage of revenue from alcohol sales a percentage lease  
1019 agreement may require; and

1020           (b) the procedure for submitting a percentage lease agreement under Subsection (2).  
1021           Section 5. Section **32B-1-304** is amended to read:  
1022           **32B-1-304. Qualifications for a package agency, license, or permit -- Minors.**

1023           (1) (a) [~~The~~] Except as provided in Subsection (7), the commission may not issue a  
1024 package agency, license, or permit to a person who has been convicted of:

1025           (i) within seven years before the day on which the commission issues the package  
1026 agency, license, or permit, a felony under a federal law or state law;

1027           (ii) within four years before the day on which the commission issues the package  
1028 agency, license, or permit:

1029           (A) a violation of a federal law, state law, or local ordinance concerning the sale, offer  
1030 for sale, warehousing, manufacture, distribution, transportation, or adulteration of an alcoholic  
1031 product; or

1032           (B) a crime involving moral turpitude; or

1033           (iii) on two or more occasions within the five years before the day on which the  
1034 package agency, license, or permit is issued, driving under the influence of alcohol, drugs, or  
1035 the combined influence of alcohol and drugs.

1036           (b) If the person is a partnership, corporation, or limited liability company, the  
1037 proscription under Subsection (1)(a) applies if any of the following has been convicted of an  
1038 offense described in Subsection (1)(a):

1039           (i) a partner;

1040           (ii) a managing agent;

1041           (iii) a manager;

1042           (iv) an officer;

1043           (v) a director;

1044           (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of  
1045 the corporation; or

1046           (vii) a member who owns at least 20% of the limited liability company.

1047           (c) [~~The~~] Except as provided in Subsection (7), the proscription under Subsection  
1048 (1)(a) applies if a person who is employed to act in a supervisory or managerial capacity for a

1049 package agency, licensee, or permittee has been convicted of an offense described in  
1050 Subsection (1)(a).

1051 (2) [~~The~~] Except as described in Section 32B-8-501, the commission may immediately  
1052 suspend or revoke a package agency, license, or permit, and terminate a package agency  
1053 agreement, if a person described in Subsection (1):

1054 (a) after the day on which the package agency, license, or permit is issued, is found to  
1055 have been convicted of an offense described in Subsection (1)(a) before the package agency,  
1056 license, or permit is issued; or

1057 (b) on or after the day on which the package agency, license, or permit is issued:

1058 (i) is convicted of an offense described in Subsection (1)(a)(i) or (ii); or

1059 (ii) (A) is convicted of driving under the influence of alcohol, drugs, or the combined  
1060 influence of alcohol and drugs; and

1061 (B) was convicted of driving under the influence of alcohol, drugs, or the combined  
1062 influence of alcohol and drugs within five years before the day on which the person is  
1063 convicted of the offense described in Subsection (2)(b)(ii)(A).

1064 (3) [~~The~~] Except as described in Section 32B-8-501, the director may take emergency  
1065 action by immediately suspending the operation of the package agency, licensee, or permittee  
1066 for the period during which a criminal matter is being adjudicated if a person described in  
1067 Subsection (1):

1068 (a) is arrested on a charge for an offense described in Subsection (1)(a)(i) or (ii); or

1069 (b) (i) is arrested on a charge for the offense of driving under the influence of alcohol,  
1070 drugs, or the combined influence of alcohol and drugs; and

1071 (ii) was convicted of driving under the influence of alcohol, drugs, or the combined  
1072 influence of alcohol and drugs within five years before the day on which the person is arrested  
1073 on a charge described in Subsection (3)(b)(i).

1074 (4) (a) (i) The commission may not issue a package agency, license, or permit to a  
1075 person who has had any type of agency, license, or permit issued under this title revoked within  
1076 the last three years.

1077 (ii) The commission may not issue a package agency, license, or permit to a  
1078 partnership, corporation, or limited liability company if a partner, managing agent, manager,  
1079 officer, director, stockholder who holds at least 20% of the total issued and outstanding stock

1080 of the corporation, or member who owns at least 20% of the limited liability company is or  
1081 was:

1082 (A) a partner or managing agent of a partnership that had any type of agency, license,  
1083 or permit issued under this title revoked within the last three years;

1084 (B) a managing agent, officer, director, or stockholder who holds or held at least 20%  
1085 of the total issued and outstanding stock of any corporation that had any type of agency,  
1086 license, or permit issued under this title revoked within the last three years; or

1087 (C) a manager or member who owns or owned at least 20% of a limited liability  
1088 company that had any type of agency, license, or permit issued under this title revoked within  
1089 the last three years.

1090 (b) The commission may not issue a package agency, licence, or permit to a  
1091 partnership, corporation, or limited liability company if any of the following had any type of  
1092 agency, license, or permit issued under this title revoked while acting in that person's individual  
1093 capacity within the last three years:

1094 (i) a partner or managing agent of a partnership;

1095 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the  
1096 total issued and outstanding stock of a corporation; or

1097 (iii) a manager or member who owns at least 20% of a limited liability company.

1098 (c) The commission may not issue a package agency, license, or permit to a person  
1099 acting in an individual capacity if that person was:

1100 (i) a partner or managing agent of a partnership that had any type of agency, license, or  
1101 permit issued under this title revoked within the last three years;

1102 (ii) a managing agent, officer, director, or stockholder who held at least 20% of the  
1103 total issued and outstanding stock of a corporation that had any type of agency, license, or  
1104 permit issued under this title revoked within the last three years; or

1105 (iii) a manager or member who owned at least 20% of the limited liability company  
1106 that had any type of agency, license, or permit issued under this title revoked within the last  
1107 three years.

1108 (5) (a) The commission may not issue a package agency, license, or permit to a minor.

1109 (b) The commission may not issue a package agency, license, or permit to a  
1110 partnership, corporation, or limited liability company if any of the following is a minor:

- 1111 (i) a partner or managing agent of the partnership;
- 1112 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the  
1113 total issued and outstanding stock of the corporation; or
- 1114 (iii) a manager or member who owns at least 20% of the limited liability company.
- 1115 (6) [Hf] Except as described in Section 32B-8-501, if a package agent, licensee, or  
1116 permittee no longer possesses the qualifications required by this title for obtaining a package  
1117 agency, license, or permit, the commission may terminate the package agency agreement, or  
1118 revoke the license or permit.
- 1119 (7) If the licensee is a resort licensee:
- 1120 (a) Subsection (1)(a) only applies if an individual listed in Subsection (1)(b) engages in  
1121 the management of the resort, as the commission defines in rule; and
- 1122 (b) Subsection (1)(c) only applies to an individual employed to act in a supervisory or  
1123 managerial capacity for the resort licensee or in relation to a sublicense of the resort license.
- 1124 Section 6. Section **32B-1-305** is amended to read:
- 1125 **32B-1-305. Requirement for a background check.**
- 1126 (1) The department shall require an individual listed in Subsection (2), in accordance  
1127 with this part, to:
- 1128 (a) provide a signed waiver from the individual whose fingerprints may be registered in  
1129 the Federal Bureau of Investigation Rap Back system that notifies the signee:
- 1130 (i) that a criminal history background check will be conducted;
- 1131 (ii) who will see the information; and
- 1132 (iii) how the information will be used;
- 1133 (b) submit to a background check in a form acceptable to the department; and
- 1134 (c) consent to a background check by:
- 1135 (i) the Utah Bureau of Criminal Identification; and
- 1136 (ii) the Federal Bureau of Investigation.
- 1137 (2) The following shall comply with Subsection (1):
- 1138 (a) an individual applying for employment with the department if:
- 1139 (i) the department makes the decision to offer the individual employment with the  
1140 department; and
- 1141 (ii) once employed, the individual will receive benefits;

- 1142 (b) an individual applying to the commission to operate a package agency;
- 1143 (c) an individual applying to the commission for a license, unless the license is an  
1144 off-premise beer retailer state license;
- 1145 (d) an individual who with regard to an entity that is applying to the commission to  
1146 operate a package agency or for a license is:
- 1147 (i) a partner;
- 1148 (ii) a managing agent;
- 1149 (iii) a manager;
- 1150 (iv) an officer;
- 1151 (v) a director;
- 1152 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of a  
1153 corporation;
- 1154 (vii) a member who owns at least 20% of a limited liability company; or
- 1155 (viii) an individual employed to act in a supervisory or managerial capacity; or
- 1156 (e) an individual who becomes involved with an entity that operates a package agency  
1157 or holds a license, if the individual is in a capacity listed in Subsection (2)(d) on or after the day  
1158 on which the entity:
- 1159 (i) is approved to operate a package agency; or
- 1160 (ii) is licensed by the commission.
- 1161 (3) (a) Except as provided in Subsection (3)(b), the commission may not require an  
1162 individual to comply with Subsection (1) based on the individual's position with or ownership  
1163 interest in an entity that has an ownership interest in the entity that is applying for the package  
1164 agency or license.
- 1165 (b) The commission may require an individual described in Subsection (3)(a) to  
1166 comply with Subsection (1) if the individual exercises direct decision making control over the  
1167 day-to-day operations of the package agency or licensee.
- 1168 (4) The department shall require compliance with Subsection (2)(e) as a condition of  
1169 an entity's:
- 1170 (a) continued operation of a package agency; or
- 1171 (b) renewal of a license.
- 1172 (5) The department may require as a condition of continued employment that a

1173 department employee:

1174 (a) submit to a background check in a form acceptable to the department; and

1175 (b) consent to a fingerprint criminal background check by:

1176 (i) the Utah Bureau of Criminal Identification; and

1177 (ii) the Federal Bureau of Investigation.

1178 Section 7. Section **32B-1-607** is amended to read:

1179 **32B-1-607. Rulemaking authority.**

1180 (1) The commission may adopt rules necessary to implement this part.

1181 (2) Notwithstanding Subsections **32B-1-102**~~[(10)]~~(12) and ~~[(49)]~~ (50), in accordance

1182 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make

1183 rules that allow for a tolerance in the alcohol content of beer or heavy beer as follows:

1184 (a) up to 0.18% above or below when measured by volume; or

1185 (b) up to 0.15% above or below when measured by weight.

1186 Section 8. Section **32B-2-202** is amended to read:

1187 **32B-2-202. Powers and duties of the commission.**

1188 (1) The commission shall:

1189 (a) consistent with the policy established by the Legislature by statute, act as a general  
1190 policymaking body on the subject of alcoholic product control;

1191 (b) adopt and issue policies, rules, and procedures;

1192 (c) set policy by written rules that establish criteria and procedures for:

1193 (i) issuing, denying, not renewing, suspending, or revoking a package agency, license,  
1194 permit, or certificate of approval; and

1195 (ii) determining the location of a state store, package agency, or retail licensee;

1196 (d) decide within the limits, and under the conditions imposed by this title, the number  
1197 and location of state stores, package agencies, and retail licensees in the state;

1198 (e) issue, deny, suspend, revoke, or not renew the following package agencies, licenses,  
1199 sublicenses, permits, or certificates of approval for the purchase, storage, sale, offer for sale,  
1200 furnishing, consumption, manufacture, and distribution of an alcoholic product:

1201 (i) a package agency;

1202 (ii) a full-service restaurant license;

1203 (iii) a master full-service restaurant license;

- 1204 (iv) a limited-service restaurant license;
- 1205 (v) a master limited-service restaurant license;
- 1206 (vi) a bar establishment license;
- 1207 (vii) an airport lounge license;
- 1208 (viii) an on-premise banquet license;
- 1209 (ix) a resort license, [~~under which at least~~] which includes four or more sublicenses
- 1210 [~~may be included~~];
- 1211 (x) an on-premise beer retailer license;
- 1212 (xi) a reception center license;
- 1213 (xii) a beer-only restaurant license;
- 1214 (xiii) a hotel license, [~~under which at least~~] which includes three or more sublicenses
- 1215 [~~may be included~~];
- 1216 (xiv) an arena license, which includes three or more sublicenses;
- 1217 (xv) a hospitality amenity license;
- 1218 [~~(xiv)~~] (xvi) subject to Subsection (4), a single event permit;
- 1219 [~~(xv)~~] (xvii) subject to Subsection (4), a temporary beer event permit;
- 1220 [~~(xvi)~~] (xviii) a special use permit;
- 1221 [~~(xvii)~~] (xix) a manufacturing license;
- 1222 [~~(xviii)~~] (xx) a liquor warehousing license;
- 1223 [~~(xix)~~] (xxi) a beer wholesaling license;
- 1224 [~~(xx)~~] (xxii) a liquor transport license;
- 1225 [~~(xxi)~~] (xxiii) an off-premise beer retailer state license;
- 1226 [~~(xxii)~~] (xxiv) a master off-premise beer retailer state license; [~~and~~]
- 1227 [~~(xxiii)~~] (xxv) one of the following that holds a certificate of approval:
- 1228 (A) an out-of-state brewer;
- 1229 (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and
- 1230 (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; and
- 1231 (xxvi) a resort spa sublicense;
- 1232 (f) issue, deny, suspend, or revoke the following conditional licenses:
- 1233 (i) a conditional retail license as defined in Section 32B-5-205; and
- 1234 (ii) a conditional off-premise beer retailer state license as defined in Section



1235 32B-7-406;

1236 (g) prescribe the duties of the department in assisting the commission in issuing a  
1237 package agency, license, permit, or certificate of approval under this title;

1238 (h) to the extent a fee is not specified in this title, establish a fee allowed under this title  
1239 in accordance with Section 63J-1-504;

1240 (i) fix prices at which liquor is sold that are the same at all state stores, package  
1241 agencies, and retail licensees;

1242 (j) issue and distribute price lists showing the price to be paid by a purchaser for each  
1243 class, variety, or brand of liquor kept for sale by the department;

1244 (k) (i) require the director to follow sound management principles; and

1245 (ii) require periodic reporting from the director to ensure that:

1246 (A) sound management principles are being followed; and

1247 (B) policies established by the commission are being observed;

1248 (l) (i) receive, consider, and act in a timely manner upon the reports, recommendations,  
1249 and matters submitted by the director to the commission; and

1250 (ii) do the things necessary to support the department in properly performing the  
1251 department's duties;

1252 (m) obtain temporarily and for special purposes the services of an expert or person  
1253 engaged in the practice of a profession, or a person who possesses a needed skill if:

1254 (i) considered expedient; and

1255 (ii) approved by the governor;

1256 (n) prescribe by rule the conduct, management, and equipment of premises upon which  
1257 an alcoholic product may be stored, sold, offered for sale, furnished, or consumed;

1258 (o) make rules governing the credit terms of beer sales within the state to retail  
1259 licensees; and

1260 (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take  
1261 disciplinary action against a person subject to administrative action.

1262 (2) Consistent with the policy established by the Legislature by statute, the power of  
1263 the commission to do the following is plenary, except as otherwise provided by this title, and  
1264 not subject to review:

1265 (a) establish a state store;

- 1266 (b) issue authority to act as a package agent or operate a package agency; and  
1267 (c) issue ~~[or]~~<sub>2</sub> deny, or deem forfeit a license, permit, or certificate of approval.
- 1268 (3) If the commission is authorized or required to make a rule under this title, the  
1269 commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative  
1270 Rulemaking Act.
- 1271 (4) Notwithstanding Subsections ~~[(1)(c)(xiv) and (xv)]~~ (1)(e)(xvi) and (xvii), the  
1272 director or deputy director may issue an event permit in accordance with Chapter 9, Event  
1273 Permit Act.
- 1274 Section 9. Section **32B-2-605** is amended to read:  
1275 **32B-2-605. Operational requirements for package agency.**
- 1276 (1) (a) A person may not operate a package agency until a package agency agreement is  
1277 entered into by the package agent and the department.
- 1278 (b) A package agency agreement shall state the conditions of operation by which the  
1279 package agent and the department are bound.
- 1280 (c) (i) If a package agent or staff of the package agent violates this title, rules under this  
1281 title, or the package agency agreement, the department may take any action against the package  
1282 agent that is allowed by the package agency agreement.
- 1283 (ii) An action against a package agent is governed solely by its package agency  
1284 agreement and may include suspension or revocation of the package agency.
- 1285 (iii) A package agency agreement shall provide procedures to be followed if a package  
1286 agent fails to pay money owed to the department including a procedure for replacing the  
1287 package agent or operator of the package agency.
- 1288 (iv) A package agency agreement shall provide that the package agency is subject to  
1289 covert investigations for selling an alcoholic product to a minor.
- 1290 (v) Notwithstanding that this part refers to "package agency" or "package agent," staff  
1291 of the package agency or package agent is subject to the same requirement or prohibition.
- 1292 (2) (a) A package agency shall be operated by an individual who is either:  
1293 (i) the package agent; or  
1294 (ii) an individual designated by the package agent.
- 1295 (b) An individual who is a designee under this Subsection (2) shall be:  
1296 (i) an employee of the package agent; and

- 1297 (ii) responsible for the operation of the package agency.
- 1298 (c) The conduct of the designee is attributable to the package agent.
- 1299 (d) A package agent shall submit the name of the person operating the package agency  
1300 to the department for the department's approval.
- 1301 (e) A package agent shall state the name and title of a designee on the application for a  
1302 package agency.
- 1303 (f) A package agent shall:
- 1304 (i) inform the department of a proposed change in the individual designated to operate  
1305 a package agency; and
- 1306 (ii) receive prior approval from the department before implementing the change  
1307 described in this Subsection (2)(f).
- 1308 (g) Failure to comply with the requirements of this Subsection (2) may result in the  
1309 immediate termination of a package agency agreement.
- 1310 (3) (a) A package agent shall display in a prominent place in the package agency the  
1311 record issued by the commission that designates the package agency.
- 1312 (b) A package agent that displays or stores liquor at a location visible to the public  
1313 shall display in a prominent place in the package agency a sign in large letters that consists of  
1314 text in the following order:
- 1315 (i) a header that reads: "WARNING";
- 1316 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy  
1317 can cause birth defects and permanent brain damage for the child.";
- 1318 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at  
1319 [insert most current toll-free number] with questions or for more information.";
- 1320 (iv) a header that reads: "WARNING"; and
- 1321 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a  
1322 serious crime that is prosecuted aggressively in Utah."
- 1323 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different  
1324 font style than the text described in Subsections (3)(b)(iv) and (v).
- 1325 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the  
1326 same font size.
- 1327 (d) The Department of Health shall work with the commission and department to

1328 facilitate consistency in the format of a sign required under this section.

1329 (4) A package agency may not display liquor or a price list in a window or showcase  
1330 that is visible to passersby.

1331 (5) (a) A package agency may not purchase liquor from a person except from the  
1332 department.

1333 (b) At the discretion of the department, the department may provide liquor [~~may be~~  
1334 ~~provided by the department~~] to a package agency for sale on consignment.

1335 (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place  
1336 other than as designated in the package agent's application, unless the package agent first  
1337 applies for and receives approval from the department for a change of location within the  
1338 package agency premises.

1339 (7) (a) [~~A~~] Except as provided in Subsection (7)(b), a package agency may not sell,  
1340 offer for sale, or furnish liquor except at a price fixed by the commission.

1341 (b) A package agency may provide as room service one alcoholic product free of  
1342 charge per guest reservation, per guest room, if;

1343 (i) the package agency is the type of package agency that authorizes the package  
1344 agency to sell, offer for sale, or furnish an alcoholic product as part of room service;

1345 (ii) staff of the package agency provides the alcoholic product:

1346 (A) in person; and

1347 (B) only to an adult guest in the guest room;

1348 (iii) staff of the package agency does not leave the alcoholic product outside a guest  
1349 room for retrieval by a guest; and

1350 (iv) the alcoholic product:

1351 (A) is not a spirituous liquor; and

1352 (B) is in an unopened container not to exceed 750 milliliters.

1353 (8) A package agency may not sell, offer for sale, or furnish liquor to:

1354 (a) a minor;

1355 (b) a person actually, apparently, or obviously intoxicated;

1356 (c) a known interdicted person; or

1357 (d) a known habitual drunkard.

1358 (9) (a) A package agency may not employ a minor to handle liquor.

- 1359 (b) (i) Staff of a package agency may not:
- 1360 (A) consume an alcoholic product on the premises of a package agency; or
- 1361 (B) allow any person to consume an alcoholic product on the premises of a package
- 1362 agency.
- 1363 (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.
- 1364 (10) (a) A package agency may not close or cease operation for a period longer than 72
- 1365 hours, unless:
- 1366 (i) the package agency notifies the department in writing at least seven days before the
- 1367 [closing] day on which the package agency closes or ceases operation; and
- 1368 (ii) the closure or cessation of operation is first approved by the department.
- 1369 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
- 1370 agency shall immediately notify the department by telephone.
- 1371 (c) (i) The department may authorize a closure or cessation of operation for a period
- 1372 not to exceed 60 days.
- 1373 (ii) The department may extend the initial period described in Subsection (10)(c)(i) an
- 1374 additional 30 days upon written request of the package agency and upon a showing of good
- 1375 cause.
- 1376 (iii) A closure or cessation of operation may not exceed a total of 90 days without
- 1377 commission approval.
- 1378 (d) The notice required by Subsection (10)(a) shall include:
- 1379 (i) the dates of closure or cessation of operation;
- 1380 (ii) the reason for the closure or cessation of operation; and
- 1381 (iii) the date on which the package agency will reopen or resume operation.
- 1382 (e) Failure of a package agency to provide notice and to obtain department
- 1383 authorization before closure or cessation of operation results in an automatic termination of the
- 1384 package agency agreement effective immediately.
- 1385 (f) Failure of a package agency to reopen or resume operation by the approved date
- 1386 results in an automatic termination of the package agency agreement effective on that date.
- 1387 (11) A package agency may not transfer [its] the package agency's operations from one
- 1388 location to another location without prior written approval of the commission.
- 1389 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,

1390 exchange, barter, give, or attempt in any way to dispose of the package agency to another  
1391 person, whether for monetary gain or not.

1392 (b) A package agency has no monetary value for any type of disposition.

1393 (13) (a) Subject to the other provisions of this Subsection (13):

1394 (i) sale or delivery of liquor may not be made on or from the premises of a package  
1395 agency, and a package agency may not be kept open for the sale of liquor:

1396 (A) on Sunday; or

1397 (B) on a state or federal legal holiday.

1398 (ii) Sale or delivery of liquor may be made on or from the premises of a package  
1399 agency, and a package agency may be open for the sale of liquor, only on a day and during  
1400 hours that the commission directs by rule or order.

1401 (b) A package agency located at a manufacturing facility is not subject to Subsection  
1402 (13)(a) if:

1403 (i) the package agency is located at a manufacturing facility licensed in accordance  
1404 with Chapter 11, Manufacturing and Related Licenses Act;

1405 (ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing  
1406 and Related Licenses Act, holds:

1407 (A) a full-service restaurant license;

1408 (B) a limited-service restaurant license;

1409 (C) a beer-only restaurant license;

1410 (D) a dining club license; or

1411 (E) a bar license;

1412 (iii) the restaurant, dining club, or bar is located at the manufacturing facility;

1413 (iv) the restaurant, dining club, or bar sells an alcoholic product produced at the  
1414 manufacturing facility;

1415 (v) the manufacturing facility:

1416 (A) owns the restaurant, dining club, or bar; or

1417 (B) operates the restaurant, dining club, or bar;

1418 (vi) the package agency only sells an alcoholic product produced at the manufacturing  
1419 facility; and

1420 (vii) the package agency's days and hours of sale are the same as the days and hours of

1421 sale at the restaurant, dining club, or bar.

1422 (c) (i) Subsection (13)(a) does not apply to a package agency held by the following if  
1423 the package agent that holds the package agency to sell liquor at a resort or hotel does not sell  
1424 liquor in a manner similar to a state store:

1425 (A) a resort licensee; or

1426 (B) a hotel licensee.

1427 (ii) The commission may by rule define what constitutes a package agency that sells  
1428 liquor "in a manner similar to a state store."

1429 (14) (a) Except to the extent authorized by commission rule, a minor may not be  
1430 admitted into, or be on the premises of, a package agency unless accompanied by a person who  
1431 is:

1432 (i) 21 years of age or older; and

1433 (ii) the minor's parent, legal guardian, or spouse.

1434 (b) A package agent or staff of a package agency that has reason to believe that a  
1435 person who is on the premises of a package agency is under the age of 21 and is not  
1436 accompanied by a person described in Subsection (14)(a) may:

1437 (i) ask the suspected minor for proof of age;

1438 (ii) ask the person who accompanies the suspected minor for proof of age; and

1439 (iii) ask the suspected minor or the person who accompanies the suspected minor for  
1440 proof of parental, guardianship, or spousal relationship.

1441 (c) A package agent or staff of a package agency shall refuse to sell liquor to the  
1442 suspected minor and to the person who accompanies the suspected minor into the package  
1443 agency if the minor or person fails to provide any information specified in Subsection (14)(b).

1444 (d) A package agent or staff of a package agency shall require the suspected minor and  
1445 the person who accompanies the suspected minor into the package agency to immediately leave  
1446 the premises of the package agency if the minor or person fails to provide information specified  
1447 in Subsection (14)(b).

1448 (15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed  
1449 container.

1450 (b) A person may not open a sealed container on the premises of a package agency.

1451 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or

1452 furnish liquor in other than a sealed container:

1453 (i) if the package agency is the type of package agency that authorizes the package  
1454 agency to sell, offer for sale, or furnish the liquor as part of room service;

1455 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and

1456 (iii) subject to:

1457 (A) staff of the package agency providing the liquor in person only to an adult guest in  
1458 the guest room;

1459 (B) staff of the package agency not leaving the liquor outside a guest room for retrieval  
1460 by a guest; and

1461 (C) the same limits on the portions in which an alcoholic product may be sold by a  
1462 retail licensee under Section [32B-5-304](#).

1463 (16) On or after October 1, 2011, a package agency may not sell, offer for sale, or  
1464 furnish heavy beer in a sealed container that exceeds two liters.

1465 (17) The department may pay or otherwise remunerate a package agent on any basis,  
1466 including sales or volume of business done by the package agency.

1467 (18) The commission may prescribe by policy or rule general operational requirements  
1468 of a package agency that are consistent with this title and relate to:

1469 (a) physical facilities;

1470 (b) conditions of operation;

1471 (c) hours of operation;

1472 (d) inventory levels;

1473 (e) payment schedules;

1474 (f) methods of payment;

1475 (g) premises security; and

1476 (h) any other matter considered appropriate by the commission.

1477 (19) A package agency may not maintain a minibar.

1478 Section 10. Section **32B-3-202** is amended to read:

1479 **32B-3-202. Timing of reporting violations.**

1480 [~~Except when the person subject to administrative action is staff.~~]

1481 [~~(1) A disciplinary proceeding may not be initiated or maintained by the commission or  
1482 department on the basis, in whole or in part, of a violation of this title unless a person subject to~~]



1483 ~~administrative action against whom the violation is alleged is notified by the department of the~~  
1484 ~~violation in accordance with this section.]~~

1485 ~~[(2) (a) A nondepartment enforcement agency or nondepartment enforcement officer~~  
1486 ~~may not report a violation of this title to the department more than eight business days after the~~  
1487 ~~day on which a nondepartment enforcement officer or agency completes an investigation that~~  
1488 ~~finds a violation of this title.]~~

1489 ~~[(b) If the commission or department wants the right to initiate or maintain a~~  
1490 ~~disciplinary proceeding on the basis, in whole or in part, of a violation of this title alleged in a~~  
1491 ~~report described in Subsection (2)(a), the department shall notify a person subject to~~  
1492 ~~administrative action who is alleged by the report to have violated this title:]~~

1493 ~~[(i) by no later than eight business days of the day on which the department receives~~  
1494 ~~the report described in Subsection (2)(a); and]~~

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

1497 ~~[(3) If the commission or department wants the right to initiate or maintain a~~  
1498 ~~disciplinary proceeding on the basis, in whole or in part, of a violation of this title alleged by a~~  
1499 ~~report of a department compliance officer, the department shall notify a person subject to~~  
1500 ~~administrative action who is alleged by the report to have violated this title:]~~

1501 ~~[(a) by no later than eight business days of the day on which the department~~  
1502 ~~compliance officer completes an investigation that finds a violation of this title; and]~~

1503 ~~[(b) that the commission or department may initiate or maintain a disciplinary~~  
1504 ~~proceeding on the basis, in whole or in part, of the violation:]~~

1505 (1) The department or the commission may not take administrative action against a  
1506 person subject to administrative action before:

1507 (a) a nondepartment enforcement agency or enforcement officer or a department  
1508 compliance officer submits to the department a report:

1509 (i) containing facts that could support a finding that the person subject to  
1510 administrative action violated this title or a commission rule; and

1511 (ii) no more than eight business days after the day on which the nondepartment  
1512 enforcement agency or officer or the compliance officer completes the investigation containing  
1513 the facts described in Subsection (1)(a)(i); and

1514 (b) subject to Subsection (5), the department notifies the person subject to  
 1515 administrative action, no more than eight business days after the day on which the department  
 1516 receives the report described in Subsection (1)(a), that the commission or department:

1517 (i) received the report described in Subsection (1)(a); and

1518 (ii) may initiate or maintain a disciplinary proceeding on the basis, in whole or in part,  
 1519 on the facts contained in the report described in Subsection (1)(a).

1520 ~~[(4)]~~ (2) (a) [A] The department may provide the notice required [by] under this section  
 1521 [may be done] orally, if after the oral notification the department provides written notification.

1522 (b) The department may provide the written notification described in Subsection [del(4)]  
 1523 (2)(a) [may be sent] outside the time periods required [by] under this section.

1524 ~~[(5)]~~ (3) The department shall maintain a record of a notification required [by] under  
 1525 this section that includes:

1526 (a) the name of the person notified; [and]

1527 (b) the date of the notification[-]; and

1528 (c) the type of notification given.

1529 (4) (a) The department may issue an order to show cause if the department receives a  
 1530 report described in Subsection (1)(a), containing facts that could support a finding that the  
 1531 person subject to administrative action violated:

1532 (i) this title regarding necessary licensing requirements; or

1533 (ii) a commission rule regarding necessary licensing requirements.

1534 (b) A necessary licensing requirement described in Subsection (4)(a) includes:

1535 (i) maintaining an approved, licensed premise;

1536 (ii) maintaining insurance;

1537 (iii) maintaining a bond;

1538 (iv) following the requirements in Section [32B-1-304](#), regarding qualifications;

1539 (v) maintaining required store hours;

1540 (vi) failing to utilize the license issued; or

1541 (vii) transferring a license in violation of Chapter 8a, Transfer of Applicable License

1542 Act.

1543 (c) The department's issuance of an order to show cause in accordance with this

1544 Subsection (4):

- 1545 (i) does not initiate a disciplinary proceeding; and
- 1546 (ii) is not subject to Title 63G, Chapter 4, Administrative Procedures Act.
- 1547 (5) The department is not required to provide notice as described in Subsection (1)(b)
- 1548 if the person subject to administrative action is staff.

1549 Section 11. Section **32B-3-204** is amended to read:

1550 **32B-3-204. Disciplinary proceeding procedure.**

1551 (1) (a) Subject to Section **32B-3-202**, the following may conduct an adjudicative  
1552 proceeding to inquire into a matter necessary and proper for the administration of this title and  
1553 rules adopted under this title:

1554 (i) the commission;

1555 (ii) a hearing examiner appointed by the commission to conduct a suspension,  
1556 non-renewal, or revocation hearing required by law;

1557 (iii) the director; and

1558 (iv) the department.

1559 (b) Except as provided in this section or Section **32B-2-605**, a person described in  
1560 Subsection (1)(a) shall comply with Title 63G, Chapter 4, Administrative Procedures Act, in an  
1561 adjudicative proceeding.

1562 (c) Except when otherwise provided by law, an adjudicative proceeding before the  
1563 commission or a hearing examiner appointed by the commission shall be:

1564 (i) video or audio recorded; and

1565 (ii) subject to Subsection (3)(b), conducted in accordance with Title 52, Chapter 4,  
1566 Open and Public Meetings Act.

1567 (d) A person listed in Subsection (1)(a) shall conduct an adjudicative proceeding  
1568 concerning departmental personnel in accordance with Title 67, Chapter 19, Utah State  
1569 Personnel Management Act.

1570 (e) A hearing that is informational, fact gathering, and nonadversarial in nature shall be  
1571 conducted in accordance with rules, policies, and procedures made by the commission,  
1572 director, or department.

1573 (2) (a) Subject to Section **32B-3-202**, a disciplinary proceeding shall be conducted  
1574 under the authority of the commission, which is responsible for rendering a final decision and  
1575 order on a disciplinary matter.

1576 (b) (i) The commission may appoint a necessary officer, including a hearing examiner,  
1577 from within or without the department, to administer the disciplinary proceeding process.

1578 (ii) A hearing examiner appointed by the commission:

1579 (A) may conduct a disciplinary proceeding hearing on behalf of the commission; and

1580 (B) shall submit to the commission a report including:

1581 (I) findings of fact determined on the basis of a preponderance of the evidence

1582 presented at the hearing;

1583 (II) conclusions of law; and

1584 (III) recommendations.

1585 (iii) A report of a hearing examiner under this Subsection (2)(b) may not recommend a  
1586 penalty more severe than that initially sought by the department in the notice of agency action.

1587 (iv) A copy of a hearing examiner report under this Subsection (2)(b) shall be served  
1588 upon the respective parties.

1589 (v) Before final commission action, the commission shall give a respondent and the  
1590 department reasonable opportunity to file a written objection to a hearing examiner report.

1591 (3) (a) The commission or an appointed hearing examiner shall preside over a  
1592 disciplinary proceeding hearing.

1593 (b) A disciplinary proceeding hearing may be closed only after the commission or  
1594 hearing examiner makes a written finding that the public interest in an open hearing is clearly  
1595 outweighed by factors enumerated in the closure order.

1596 (c) (i) The commission or ~~[its]~~ an appointed hearing examiner as part of a disciplinary  
1597 proceeding hearing may:

1598 (A) administer an oath or affirmation;

1599 (B) take evidence, including evidence provided in relation to an order to show cause  
1600 the department issued in accordance with Section [32B-3-202](#);

1601 (C) take a deposition within or without this state; and

1602 (D) require by subpoena from a place within this state:

1603 (I) the testimony of a person at a hearing; and

1604 (II) the production of a record or other evidence considered relevant to the inquiry.

1605 (ii) A person subpoenaed in accordance with this Subsection (3)(c) shall testify and  
1606 produce a record or tangible thing as required in the subpoena.

1607 (iii) A witness subpoenaed, called to testify, or called to produce evidence who claims  
1608 a privilege against self-incrimination may not be compelled to testify, but the commission or  
1609 the hearing examiner shall file a written report with the county attorney or district attorney in  
1610 the jurisdiction where the privilege is claimed or where the witness resides setting forth the  
1611 circumstance of the claimed privilege.

1612 (iv) (A) A person is not excused from obeying a subpoena without just cause.

1613 (B) A district court within the judicial district in which a person alleged to be guilty of  
1614 willful contempt of court or refusal to obey a subpoena is found or resides, upon application by  
1615 the party issuing the subpoena, may issue an order requiring the person to:

1616 (I) appear before the issuing party; and

1617 (II) (Aa) produce documentary evidence if so ordered; or

1618 (Bb) give evidence regarding the matter in question.

1619 (C) Failure to obey an order of the court may be punished by the court as contempt.

1620 (d) In a case heard by the commission, the commission shall issue its final decision and  
1621 order in accordance with Subsection (2).

1622 (4) (a) The commission shall:

1623 (i) render a final decision and order on a disciplinary action; and

1624 (ii) cause its final order to be prepared in writing, issued, and served on all parties.

1625 (b) An order of the commission is final on the date the order is issued.

1626 (c) The commission, after the commission renders its final decision and order, may  
1627 require the director to prepare, issue, and cause to be served on the parties the final written  
1628 order on behalf of the commission.

1629 (5) (a) If a respondent requests a disciplinary proceeding hearing, the hearing held by  
1630 the commission or a hearing examiner appointed by the commission shall proceed formally in  
1631 accordance with Sections [63G-4-204](#) through [63G-4-209](#) if:

1632 (i) the alleged violation poses, or potentially poses, a grave risk to public safety, health,  
1633 and welfare;

1634 (ii) the alleged violation involves:

1635 (A) selling or furnishing an alcoholic product to a minor;

1636 (B) attire, conduct, or entertainment prohibited by Chapter 1, Part 5, Attire, Conduct,  
1637 and Entertainment Act;

1638 (C) fraud, deceit, willful concealment, or misrepresentation of the facts by or on behalf  
1639 of the respondent;

1640 (D) interfering or refusing to cooperate with:

1641 (I) an authorized official of the department or the state in the discharge of the official's  
1642 duties in relation to the enforcement of this title; or

1643 (II) a peace officer in the discharge of the peace officer's duties in relation to the  
1644 enforcement of this title;

1645 (E) an unlawful trade practice under Chapter 4, Part 7, Trade Practices Act;

1646 (F) unlawful importation of an alcoholic product; or

1647 (G) unlawful supply of liquor by a liquor industry member, as defined in Section  
1648 [32B-4-702](#), to a person other than the department or a military installation, except to the extent  
1649 permitted by this title; or

1650 (iii) the department determines to seek in a disciplinary proceeding hearing:

1651 (A) an administrative fine exceeding \$3,000;

1652 (B) a suspension of a license, permit, or certificate of approval of more than 10 days; or

1653 (C) a revocation of a license, permit, or certificate of approval.

1654 (b) If a respondent does not request a disciplinary proceeding hearing, a hearing shall  
1655 proceed informally unless it is designated as a formal proceeding pursuant to rules adopted by  
1656 the commission in accordance with Subsection (5)(c).

1657 (c) The commission shall make rules to provide a procedure to implement this  
1658 Subsection (5).

1659 (6) (a) If the department recommends nonrenewal of a license, the department shall  
1660 notify the licensee of the recommendation at least 15 days before the commission takes action  
1661 on the nonrenewal.

1662 (b) Notwithstanding Subsection (2), the commission shall appoint a hearing examiner  
1663 to conduct an adjudicative hearing in accordance with this section if the licensee files a request  
1664 for a hearing within 10 days of receipt of the notice under Subsection (6)(a).

1665 Section 12. Section **32B-4-415** is amended to read:

1666 **32B-4-415. Unlawful bringing onto premises for consumption.**

1667 (1) Except as provided in Subsection (4) and [~~Subsection [32B-5-307](#)(4)] Section  
1668 [32B-5-307](#), a person may not bring an alcoholic product for on-premise consumption onto the~~

1669 premises of:

1670 (a) a retail licensee or person required to be licensed under this title as a retail licensee;

1671 (b) an establishment that conducts a business similar to a retail licensee;

1672 (c) an event where an alcoholic product is sold, offered for sale, or furnished under a

1673 single event permit or temporary beer event permit issued under this title;

1674 (d) an establishment open to the general public; or

1675 (e) the capitol hill complex.

1676 (2) Except as provided in Subsection (4) and [~~Subsection 32B-5-307(4)~~] Section

1677 32B-5-307, the following may not allow a person to bring onto its premises an alcoholic

1678 product for on-premise consumption or allow consumption of an alcoholic product brought

1679 onto its premises in violation of this section:

1680 (a) a retail licensee or a person required to be licensed under this title as a retail

1681 licensee;

1682 (b) an establishment that conducts a business similar to a retail licensee;

1683 (c) a single event permittee or temporary beer event permittee;

1684 (d) an establishment open to the general public;

1685 (e) the State Capitol Preservation Board created in Section 63C-9-201; or

1686 (f) staff of a person listed in Subsections (2)(a) through (e).

1687 (3) Except as provided in Subsection (4)(c)(i)(A), a person may not consume an

1688 alcoholic product in a limousine or chartered bus if the limousine or chartered bus drops off a

1689 passenger at:

1690 (a) a location from which the passenger departs in a private vehicle; or

1691 (b) the capitol hill complex.

1692 (4) (a) A person may bring bottled wine onto the premises of the following and

1693 consume the wine pursuant to Section 32B-5-307:

1694 (i) a full-service restaurant licensee;

1695 (ii) a limited restaurant licensee;

1696 (iii) a bar establishment licensee; or

1697 (iv) a person operating under a resort spa sublicense.

1698 (b) A passenger of a limousine may bring onto, possess, and consume an alcoholic

1699 product in the limousine if:

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



1731 ~~[(b) "Primary spirituous liquor" does not include a secondary alcoholic product used as~~  
1732 ~~a flavoring in conjunction with the primary distilled spirit in a beverage.]~~

1733 ~~[(2)]~~ (1) A retail licensee licensed under this title to sell, offer for sale, or furnish  
1734 spirituous liquor for consumption on the licensed premises, or staff of the retail licensee may  
1735 not:

1736 (a) sell, offer for sale, or furnish a primary spirituous liquor to a person on the licensed  
1737 premises except in a quantity that does not exceed 1.5 ounces per beverage dispensed through a  
1738 calibrated metered dispensing system approved by the department;

1739 (b) sell, offer for sale, or furnish more than a total of 2.5 ounces of spirituous liquor per  
1740 beverage;

1741 (c) allow a person on the licensed premises to have more than a total of 2.5 ounces of  
1742 spirituous liquor at a time; or

1743 (d) (i) except as provided in Subsection ~~[(2)]~~ (1)(d)(ii), allow a person to have more  
1744 than two spirituous liquor beverages at a time; or

1745 (ii) allow a person on the premises of the following to have more than one spirituous  
1746 liquor beverage at a time:

1747 (A) a full-service restaurant licensee;

1748 (B) a person operating under a full-service restaurant sublicense;

1749 (C) an on-premise banquet licensee;

1750 (D) a person operating under an on-premise banquet sublicense; or

1751 (E) a single event permittee.

1752 ~~[(3)]~~ (2) A violation of this section is a class C misdemeanor.

1753 Section 14. Section **32B-5-201** is amended to read:

1754 **32B-5-201. Application requirements for retail license.**

1755 (1) (a) Before a person may store, sell, offer for sale, furnish, or permit consumption of  
1756 an alcoholic product on licensed premises as a retail licensee, the person shall first obtain a  
1757 retail license issued by the commission, notwithstanding whether the person holds a local  
1758 license or a permit issued by a local authority.

1759 (b) Violation of this Subsection (1) is a class B misdemeanor.

1760 (2) To obtain a retail license under this title, a person shall submit to the department:

1761 (a) a written application in a form prescribed by the department;

- 1762 (b) a nonrefundable application fee in the amount specified in the relevant ~~[part under~~  
1763 ~~Chapter 6, Specific Retail License Act,]~~ chapter or part for the type of retail license for which  
1764 the person is applying;
- 1765 (c) an initial license fee:
- 1766 (i) in the amount specified in the relevant ~~[part under Chapter 6, Specific Retail~~  
1767 ~~License Act,]~~ chapter or part for the type of retail license for which the person is applying; and  
1768 (ii) that is refundable if a retail license is not issued;
- 1769 (d) written consent of the local authority, including, if applicable, consent for each  
1770 proposed sublicense;
- 1771 (e) a copy of:
- 1772 (i) the person's current business license; and  
1773 (ii) if the person is applying for a principal license, the current business license for each  
1774 proposed sublicense, except if the relevant political subdivision determines that the business  
1775 license for a proposed sublicense is included in the person's current business license;
- 1776 (f) evidence of the proposed retail licensee's proximity to any community location, with  
1777 proximity requirements being governed by Section 32B-1-202;
- 1778 (g) a bond as specified by Section 32B-5-204;
- 1779 (h) a floor plan, and boundary map where applicable, of the premises of the retail  
1780 license and each, if any, accompanying sublicense, including any:
- 1781 (i) consumption area; and  
1782 (ii) area where the person proposes to store, sell, offer for sale, or furnish an alcoholic  
1783 beverage;
- 1784 (i) evidence that the retail licensee ~~[is carrying]~~ carries public liability insurance in an  
1785 amount and form satisfactory to the department;
- 1786 (j) evidence that the retail licensee ~~[is carrying]~~ carries dramshop insurance coverage of  
1787 at least:
- 1788 (i) \$1,000,000 per occurrence and \$2,000,000 in the aggregate;  
1789 (ii) if the retail licensee is a hotel licensee or a resort licensee, \$1,000,000 per  
1790 occurrence and \$2,000,000 in the aggregate to cover both the principal license and all  
1791 accompanying sublicenses; or
- 1792 (iii) if the retail licensee is an arena licensee, \$10,000,000 per occurrence and

1793 \$20,000,000 in the aggregate to cover both the arena license and all accompanying sublicenses.

1794 (k) a signed consent form stating that the retail licensee will permit any authorized  
1795 representative of the commission, department, or any law enforcement officer to have  
1796 unrestricted right to enter;

1797 (i) the premises of the retail licensee; and

1798 (ii) if applicable, the premises of each of the retail licensee's accompanying  
1799 sublicenses;

1800 (l) if the person is an entity, proper verification evidencing that a person who signs the  
1801 application is authorized to sign on behalf of the entity;

1802 (m) a responsible alcohol service plan; and

1803 (n) any other information the commission or department may require.

1804 (3) The commission may not issue a retail license to a person who:

1805 (a) is disqualified under Section 32B-1-304; or

1806 (b) is not lawfully present in the United States.

1807 (4) Unless otherwise provided in the relevant [~~part under Chapter 6, Specific Retail~~  
1808 ~~License Act,~~] chapter or part for the type of retail license for which the person is applying, the  
1809 commission may not issue a retail license to a person if the proposed licensed premises does  
1810 not meet the proximity requirements of Section 32B-1-202.

1811 Section 15. Section 32B-5-202 is amended to read:

1812 **32B-5-202. Renewal requirements.**

1813 (1) A retail license expires each year on the day specified in the relevant [~~part under~~  
1814 ~~Chapter 6, Specific Retail License Act,~~] chapter or part for that type of retail license.

1815 (2) (a) To renew a person's retail license, a retail licensee shall, by no later than the day  
1816 specified in the relevant [~~part under Chapter 6, Specific Retail License Act,~~] chapter or part for  
1817 the type of retail license that [~~is being renewed~~] the person seeks to renew, submit:

1818 (i) a completed renewal application in a form prescribed by the department; and

1819 (ii) a renewal fee in the amount specified in the relevant [~~part under Chapter 6, Specific~~  
1820 ~~Retail License Act,~~] chapter or part for the type of retail license that [~~is being renewed~~] the  
1821 person seeks to renew.

1822 (b) A retail licensee shall submit a responsible alcohol service plan as part of the retail  
1823 licensee's renewal application if, since the retail licensee's most recent application or renewal,

1824 the retail licensee:

1825 (i) made substantial changes to the retail licensee's responsible alcohol service plan; or

1826 (ii) violated a provision of this chapter.

1827 (c) The department may audit a retail licensee's responsible alcohol service plan.

1828 (3) Failure to meet the renewal requirements results in an automatic forfeiture of the

1829 retail license effective on the ~~[date]~~ day on which the existing retail license expires.

1830 Section 16. Section **32B-5-203** is amended to read:

1831 **32B-5-203. Commission and department duties before issuing a retail license.**

1832 (1) (a) Before the commission may issue a retail license, the department shall conduct  
1833 an investigation and may hold public hearings to gather information and make

1834 recommendations to the commission as to whether a retail license and, if applicable, each  
1835 accompanying sublicense should be issued.

1836 (b) The department shall forward the information and recommendations described in  
1837 Subsection (1)(a) to the commission to aid in the commission's determination.

1838 (2) Before issuing a retail license, the commission shall:

1839 (a) determine that the person filed a complete application and is in compliance with:

1840 (i) Section [32B-5-201](#); and

1841 (ii) the specific licensing requirements specified in the relevant ~~[part under Chapter 6,~~  
1842 ~~Specific Retail License Act,]~~ chapter or part for the type of retail license for which the person is  
1843 applying;

1844 (b) determine that the person and, if applicable, each of the person's accompanying  
1845 sublicenses is not disqualified under Section [32B-1-304](#);

1846 (c) consider the locality within which the proposed licensed premises and, if  
1847 applicable, each proposed sublicensed premises is located, including:

1848 (i) physical characteristics such as:

1849 (A) condition of the licensed or sublicensed premises;

1850 (B) square footage; and

1851 (C) parking availability; and

1852 (ii) operational factors such as:

1853 (A) tourist traffic;

1854 (B) demographics;

1855 (C) population to be served;

1856 (D) proximity to and density of other state stores, package agencies, and retail  
1857 licensees; and

1858 (E) the extent of and proximity to any community location;

1859 (d) consider the person's ability to manage and operate a retail license, and if applicable  
1860 the ability of each individual who will act in a supervisory or managerial capacity for each  
1861 accompanying sublicense to supervise or manage a sublicense, of the type for which the person  
1862 is applying, including:

1863 (i) management experience;

1864 (ii) past retail alcoholic product experience; and

1865 (iii) the type of management scheme to be used by the retail licensee or accompanying  
1866 sublicensee;

1867 (e) consider the nature or type of retail licensee operation, and if applicable each  
1868 proposed accompanying sublicensee's operation, of the proposed retail licensee, including:

1869 (i) the type of menu items that will be offered and emphasized;

1870 (ii) whether the retail licensee or the retail licensee's accompanying sublicensee will  
1871 emphasize service to an adult clientele or to minors;

1872 (iii) the proposed hours of operation;

1873 (iv) the seating capacity of the premises; and

1874 (v) the estimated gross sales of food items; and

1875 (f) consider any other factor the commission considers necessary.

1876 (3) The commission shall determine whether an applicant under this section has an  
1877 adequate kitchen or culinary facilities by considering:

1878 (a) the type of retail license or sublicense for which the person is applying;

1879 (b) the purpose of the proposed retail license or sublicense; and

1880 (c) the locality within which the proposed licensed or sublicensed premises is located.

1881 Section 17. Section **32B-5-204** is amended to read:

1882 **32B-5-204. Bond for retail license.**

1883 (1) (a) A retail licensee shall post a cash bond or surety bond:

1884 (i) in the amount specified in the relevant [~~part under Chapter 6, Specific Retail~~  
1885 ~~License Act,~~] chapter or part for the type of retail license for which the person is applying; and

- 1886 (ii) payable to the department.
- 1887 (b) A retail licensee shall procure and maintain the bond required under this section for
- 1888 as long as the retail licensee continues to operate as a retail licensee.
- 1889 (2) A bond required under this section shall be:
- 1890 (a) in a form approved by the attorney general; and
- 1891 (b) conditioned upon the retail licensee's faithful compliance with this title and the
- 1892 rules of the commission.
- 1893 (3) (a) If a surety bond posted by a retail licensee under this section is canceled due to
- 1894 the retail licensee's negligence, the department may assess a \$300 reinstatement fee.
- 1895 (b) No part of a bond posted by a retail licensee under this section may be withdrawn:
- 1896 (i) during the period the retail license is in effect; or
- 1897 (ii) while a revocation proceeding is pending against the retail licensee.
- 1898 (4) (a) A bond posted under this section by a retail licensee may be forfeited if the
- 1899 retail license is revoked.
- 1900 (b) Notwithstanding Subsection (4)(a), the department may make a claim against a
- 1901 bond posted by a retail licensee for money owed the department under this title without the
- 1902 commission first revoking the retail license.
- 1903 Section 18. Section **32B-5-207** is amended to read:
- 1904 **32B-5-207. Multiple retail licenses on same premises.**
- 1905 (1) As used in this section, [~~"sublicense premises" means the same as that term is~~
- 1906 ~~defined in Sections 32B-8-102 and 32B-8b-102.~~] "license" means:
- 1907 (a) a retail license; or
- 1908 (b) a sublicense.
- 1909 (2) [~~(a) The~~] Except as provided in Subsection (3), the commission may not issue and
- 1910 one or more licensees may not hold more than one type of [~~retail~~] license for the same
- 1911 premises.
- 1912 [~~(b) (3) (a) [Notwithstanding Subsection (2)(a), the~~] The commission may issue and
- 1913 one or more licensees may hold more than one type of [~~retail~~] license for the same premises if:
- 1914 (i) the applicant or licensee satisfies the requirements for each [~~retail~~] license;
- 1915 (ii) the types of [~~retail~~] licenses issued or held are two or more of the following:
- 1916 (A) a restaurant license;

- 1917 (B) an on-premise beer retailer license that is not a tavern; [~~and~~]  
 1918 (C) an on-premise banquet license or a reception center license; and  
 1919 (D) a hospitality amenity license; and  
 1920 (iii) the [~~retail~~] licenses do not operate at the same time on the same day.  
 1921 (b) The commission may issue and two or more restaurant licensees may share an area  
 1922 of each restaurant licensee's licensed premises designated for alcoholic beverage consumption,  
 1923 if:  
 1924 (i) the applicants or licensees satisfy the requirements for each license; and  
 1925 (ii) the only shared premises between the issued or held restaurant licenses is the area  
 1926 for alcoholic beverage consumption.  
 1927 (c) The commission may issue and two or more licensees may share a kitchen or  
 1928 culinary facilities located in or on one or more of the licensees' licensed premises, if:  
 1929 (i) the types of licenses issued or held are two or more sublicenses of a principal  
 1930 licensee:  
 1931 (A) one of which is an on-premise banquet sublicense; and  
 1932 (B) one of which is a restaurant license that is a sublicense, an on-premise beer retailer  
 1933 sublicense that is not a tavern, or a bar sublicense; or  
 1934 (ii) (A) the same person applies for or holds each license;  
 1935 (B) the licensed premises are each owned or leased by the same person and located in  
 1936 the same building; and  
 1937 (C) the only shared premises between the issued or held licenses is the kitchen or  
 1938 culinary facilities area, including any pathway necessary to transport an item to and from the  
 1939 area.  
 1940 [~~(3)~~] (4) When one or more licensees hold more than one type of [~~retail~~] license for the  
 1941 same premises under Subsection [~~(2)(b)~~] (3)(a), the one or more licensees shall post in a  
 1942 conspicuous location at the entrance of the room a sign that:  
 1943 (a) measures 8-1/2 inches by 11 inches; and  
 1944 (b) states whether the premises is currently operating as:  
 1945 (i) a restaurant;  
 1946 (ii) an on-premise beer retailer that is not a tavern; [~~or~~]  
 1947 (iii) a banquet or a reception center[-]; or

1948 (iv) a hospitality amenity.

1949 (5) When two or more restaurant licensees share an area of each restaurant licensee's  
1950 licensed premises designated for alcoholic beverage consumption in accordance with  
1951 Subsection (3)(b), each licensee shall:

1952 (a) maintain control over the licensee's patrons; and

1953 (b) use a visual marker to clearly identify which licensee served each patron.

1954 ~~[(4)]~~ (6) (a) [The] For purposes of Subsection (3)(a), the commission may not issue and  
1955 one or more licensees may not hold a bar license or a tavern license in the same room as a  
1956 restaurant license.

1957 (b) For purposes of Subsection ~~[(4)]~~ (6)(a), two licenses are not considered in the same  
1958 room if:

1959 (i) each shared permanent wall between the premises licensed as a bar or a tavern and  
1960 the premises licensed as a restaurant measures at least eight feet high;

1961 (ii) the premises for each license has a separate entryway that does not require a patron  
1962 to pass through the premises licensed as a bar or a tavern to access the premises licensed as a  
1963 restaurant; and

1964 (iii) if a patron must pass through the premises licensed as a restaurant to access the  
1965 entryway to the premises licensed as a bar or a tavern, a patron on the premises licensed as a  
1966 restaurant cannot see a dispensing structure on the premises licensed as a bar or a tavern.

1967 ~~[(5) (a) If, on May 9, 2017, one or more licensees hold more than one type of retail~~  
1968 ~~license in violation of Subsection (2) or (4), the one or more licensees may operate under the~~  
1969 ~~different types of retail licenses through June 30, 2018.]~~

1970 ~~[(b) A licensee may not operate in violation of Subsection (2) or (4) on or after July 1,~~  
1971 ~~2018.]~~

1972 ~~[(c) Before July 1, 2018, each licensee described in Subsection (5)(a) shall notify the~~  
1973 ~~commission of each retail license that the licensee will surrender effective July 1, 2018, to~~  
1974 ~~comply with the provisions of Subsection (2) or (4).]~~

1975 ~~[(6)]~~ (7) (a) The commission may issue more than one type of sublicense to a resort  
1976 licensed under Chapter 8, Resort License Act, or a hotel licensed under Chapter 8b, Hotel  
1977 License Act, for the same room if the ~~[sublicense]~~ sublicensed premises are clearly delineated  
1978 by one or more permanent physical structures, such as a wall or other architectural feature, that



1979 separate the [~~sublicense~~] sublicensed premises.

1980 (b) A patron may not transport an alcoholic beverage between two [~~sublicense~~]  
1981 sublicensed premises located in the same room in accordance with Subsection [~~(6)~~] (7)(a).

1982 (c) Notwithstanding any provision to the contrary, a minor may momentarily pass  
1983 through a [~~sublicense~~] sublicensed premises that is a bar to reach another location where a  
1984 minor may lawfully be, if there is no practical alternative route to the location.

1985 Section 19. Section **32B-5-301** is amended to read:

1986 **32B-5-301. General operational requirements.**

1987 (1) (a) A retail licensee and staff of a retail licensee shall comply with this title and the  
1988 rules of the commission, including the relevant [~~part under Chapter 6, Specific Retail License~~  
1989 ~~Act,~~] chapter or part for the specific type of retail license.

1990 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
1991 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1992 (i) a retail licensee;

1993 (ii) individual staff of a retail licensee; or

1994 (iii) both a retail licensee and staff of the retail licensee.

1995 (2) (a) If there is a conflict between this part and the relevant [~~part under Chapter 6,~~  
1996 ~~Specific Retail License Act,~~] chapter or part for the specific type of retail license, the relevant  
1997 [~~part under Chapter 6, Specific Retail License Act,~~] chapter or part for the specific type of retail  
1998 license governs.

1999 (b) Notwithstanding that this part refers to "liquor" or an "alcoholic product," a retail  
2000 licensee may only sell, offer for sale, furnish, or allow the consumption of an alcoholic product  
2001 specifically authorized by the relevant [~~part under Chapter 6, Specific Retail License Act~~]  
2002 chapter or part for the retail licensee's specific type of retail license.

2003 (c) Notwithstanding that this part or the relevant [~~part under Chapter 6, Specific Retail~~  
2004 ~~License Act,~~] chapter or part for a specific retail licensee refers to "retail licensee," staff of the  
2005 retail licensee is subject to the same requirement or prohibition.

2006 (3) (a) A retail licensee shall display in a prominent place in the licensed premises the  
2007 retail license that is issued by the department.

2008 (b) A retail licensee shall display in a prominent place a sign in large letters that  
2009 consists of text in the following order:

- 2010 (i) a header that reads: "WARNING";
- 2011 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy  
2012 can cause birth defects and permanent brain damage for the child.";
- 2013 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at  
2014 [insert most current toll-free number] with questions or for more information.";
- 2015 (iv) a header that reads: "WARNING"; and
- 2016 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a  
2017 serious crime that is prosecuted aggressively in Utah."
- 2018 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different  
2019 font style than the text described in Subsections (3)(b)(iv) and (v).
- 2020 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the  
2021 same font size.
- 2022 (d) The Department of Health shall work with the commission and department to  
2023 facilitate consistency in the format of a sign required under this section.
- 2024 (4) A retail licensee may not on the licensed premises:
- 2025 (a) engage in or permit any form of gambling, as defined and proscribed in Title 76,  
2026 Chapter 10, Part 11, Gambling;
- 2027 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,  
2028 Part 11, Gambling; or
- 2029 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires  
2030 the risking of something of value for a return or for an outcome when the return or outcome is  
2031 based upon an element of chance, excluding the playing of an amusement device that confers  
2032 only an immediate and unrecorded right of replay not exchangeable for value.
- 2033 (5) A retail licensee may not knowingly allow a person on the licensed premises to, in  
2034 violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug  
2035 Paraphernalia Act:
- 2036 (a) sell, distribute, possess, or use a controlled substance, as defined in Section  
2037 58-37-2; or
- 2038 (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in  
2039 Section 58-37a-3.
- 2040 (6) Upon the presentation of credentials, at any time during which a retail licensee is

2041 open for the transaction of business, the retail licensee shall immediately:

2042 (a) admit a commissioner, authorized department employee, or law enforcement officer  
2043 to the retail licensee's premises; and

2044 (b) permit, without hindrance or delay, the person described in Subsection (6)(a) to  
2045 inspect completely:

2046 (i) the entire premises of the retail licensee; and

2047 (ii) the records of the retail licensee.

2048 (7) An individual may not consume an alcoholic product on the licensed premises of a  
2049 retail licensee on any day during the period:

2050 (a) beginning one hour after the time of day that the period during which a retail  
2051 licensee may not sell, offer for sale, or furnish an alcoholic product on the licensed premises  
2052 begins; and

2053 (b) ending at the time specified in the relevant [~~part under Chapter 6, Specific Retail~~  
2054 ~~License Act;~~] chapter or part for the retail licensee's specific type of retail license when the  
2055 retail licensee may first sell, offer for sale, or furnish an alcoholic product on the licensed  
2056 premises on that day.

2057 (8) [~~(a)~~] An employee of a retail licensee who sells, offers for sale, or furnishes an  
2058 alcoholic product to a patron shall wear an identification badge.

2059 [~~(b)~~] (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
2060 Act, the commission shall make rules:

2061 (a) related to the requirement described in Subsection (8)[~~(a)~~]; and

2062 (b) for dispensing systems and dispensing areas of restaurant licensees, bar licensees,  
2063 and taverns, establishing standards:

2064 (i) in accordance with the provisions of this title; and

2065 (ii) prohibiting a dispensing system to remain at a patron's table.

2066 Section 20. Section **32B-5-307** is amended to read:

2067 **32B-5-307. Bringing alcoholic product onto or removing alcoholic product from**  
2068 **premises.**

2069 (1) Except as provided in [~~Subsection (3)]~~ Subsections (3) through (5):

2070 (a) A person may not bring onto the licensed premises of a retail licensee an alcoholic  
2071 product for on-premise consumption.

2072 (b) A retail licensee may not allow a person to:  
2073 (i) bring onto licensed premises an alcoholic product for on-premise consumption; or  
2074 (ii) consume an alcoholic product brought onto the licensed premises by a person other  
2075 than the retail licensee.

2076 (c) A retail licensee may not sell, offer for sale, or furnish an alcoholic product through  
2077 a window or door to a location off the licensed premises or to a vehicular traffic area.

2078 (2) Except as provided in Subsections (3)~~[(4)]~~ through (5) and 32B-4-415(5):

2079 (a) a person may not carry from a licensed premises of a retail licensee an open  
2080 container that:

2081 (i) is used primarily for drinking purposes; and

2082 (ii) contains an alcoholic product;

2083 (b) a retail licensee may not permit a patron to carry from the licensed premises an  
2084 open container described in Subsection (2)(a); and

2085 (c) (i) a person may not carry from a licensed premises of a retail licensee a sealed  
2086 container of liquor that has been purchased from the retail licensee; and

2087 (ii) a retail licensee may not permit a patron to carry from the licensed premises a  
2088 sealed container of liquor that has been purchased from the retail licensee.

2089 (3) (a) A patron may bring a bottled wine onto the premises of a retail licensee for  
2090 on-premise consumption if:

2091 (i) permitted by the retail licensee; and

2092 (ii) the retail licensee is authorized to sell, offer for sale, or furnish wine.

2093 (b) If a patron carries bottled wine onto the licensed premises of a retail licensee, the  
2094 patron shall deliver the bottled wine to a server or other representative of the retail licensee  
2095 upon entering the licensed premises.

2096 (c) A retail licensee authorized to sell, offer for sale, or furnish wine, may provide a  
2097 wine service for a bottled wine carried onto the licensed premises in accordance with this  
2098 Subsection (3) or a bottled wine purchased at the licensed premises.

2099 (d) A patron may remove from a licensed premises the unconsumed contents of a bottle  
2100 of wine purchased at the licensed premises, or brought onto the licensed premises in  
2101 accordance with this Subsection (3), only if before removal the bottle is recorked or recapped.

2102 ~~[(4) A patron may transport beer between the premises of an on-premise banquet~~

2103 ~~license and an on-premise beer retailer license that is not a tavern, and consume the beer on~~  
2104 ~~either licensed premises, if the licensed premises are:]~~

2105 ~~[(a) immediately adjacent to one another; and]~~

2106 ~~[(b) located in a sports center that has a seating capacity of at least 6,500.]~~

2107 (4) A patron may transport beer between the sublicensed premises of an arena  
2108 licensee's accompanying sublicenses, if the patron transports the beer from and to an area of  
2109 each sublicensed premises:

2110 (a) that is adjacent to the other; and

2111 (b) where the consumption of beer is permitted.

2112 (5) Neither a patron nor a retail licensee violates this section if:

2113 (a) the patron is in shared seating; and

2114 (b) the patron purchased the patron's alcoholic beverage from a restaurant licensee

2115 whose licensed premises include the shared seating area the patron is in.

2116 Section 21. Section **32B-5-309** is amended to read:

2117 **32B-5-309. Ceasing operation.**

2118 (1) Except as provided in Subsection (8), a retail licensee may not close or cease  
2119 operation for a period longer than 240 hours, unless:

2120 (a) the retail licensee notifies the department in writing at least seven days before the  
2121 day on which the retail licensee closes or ceases operation; and

2122 (b) the closure or cessation of operation is first approved by the department.

2123 (2) Notwithstanding Subsection (1), in the case of emergency closure, a retail licensee  
2124 shall immediately notify the department by telephone.

2125 (3) (a) The department may authorize a closure or cessation of operation of a retail  
2126 licensee for a period not to exceed 60 days.

2127 (b) The department may extend the initial period an additional 30 days upon:

2128 (i) written request of the retail licensee; and

2129 (ii) a showing of good cause.

2130 (4) A closure or cessation of operation may not exceed a total of 90 days without  
2131 commission approval.

2132 (5) A notice required under this section shall include:

2133 (a) the dates of closure or cessation of operation;

- 2134 (b) the reason for the closure or cessation of operation; and
- 2135 (c) the date on which the retail licensee will reopen or resume operation.
- 2136 (6) Failure of a retail licensee to provide notice and to obtain department approval
- 2137 before closure or cessation of operation results in an automatic forfeiture of:
- 2138 (a) the retail license; and
- 2139 (b) the unused portion of the retail license fee for the remainder of the retail license
- 2140 year effective immediately.

- 2141 (7) Failure of a retail licensee to reopen or resume operation by the approved date
- 2142 results in an automatic forfeiture of:
- 2143 (a) the retail license; and
- 2144 (b) the unused portion of the retail license fee for the remainder of the retail license
- 2145 year.

- 2146 (8) This section does not apply to:
- 2147 (a) an on-premise beer retailer who is not a tavern; or
- 2148 (b) an airport lounge licensee[-]; or
- 2149 (c) a hospitality amenity licensee.

2150 Section 22. Section **32B-6-406** is amended to read:

2151 **32B-6-406. Specific operational requirements for a bar establishment license.**

2152 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational

2153 Requirements, a bar establishment licensee and staff of the bar establishment licensee shall

2154 comply with this section.

2155 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action

2156 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

- 2157 (i) a bar establishment licensee;
- 2158 (ii) individual staff of a bar establishment licensee; or
- 2159 (iii) both a bar establishment licensee and staff of the bar establishment licensee.

2160 (2) In addition to complying with Subsection **32B-5-301**(3), a bar licensee shall display

2161 in a conspicuous place at the entrance to the licensed premises a sign that:

- 2162 (a) measures at least 8-1/2 inches long and 11 inches wide; and
- 2163 (b) clearly states that the bar licensee is a bar and that no one under 21 years of age is
- 2164 allowed.

2165 (3) (a) In addition to complying with Section 32B-5-302, a bar establishment licensee  
2166 shall maintain for a minimum of three years:

2167 (i) a record required by Section 32B-5-302; and

2168 (ii) a record maintained or used by the bar establishment licensee, as the department  
2169 requires.

2170 (b) Section 32B-1-205 applies to a record required to be made, maintained, or used in  
2171 accordance with this Subsection (3).

2172 (c) The department shall audit the records of a bar establishment licensee at least once  
2173 annually.

2174 (4) (a) A bar establishment licensee may not sell, offer for sale, or furnish liquor on the  
2175 licensed premises on any day during a period that:

2176 (i) begins at 1 a.m.; and

2177 (ii) ends at 9:59 a.m.

2178 (b) A bar establishment licensee may sell, offer for sale, or furnish beer during the  
2179 hours specified in Part 7, On-Premise Beer Retailer License, for an on-premise beer retailer  
2180 license.

2181 (c) (i) Notwithstanding Subsections (4)(a) and (b), a bar establishment licensee shall  
2182 keep its licensed premises open for one hour after the bar establishment licensee ceases the sale  
2183 and furnishing of an alcoholic product during which time a patron of the bar establishment  
2184 licensee may finish consuming:

2185 (A) a single drink containing spirituous liquor;

2186 (B) a single serving of wine not exceeding five ounces;

2187 (C) a single serving of heavy beer;

2188 (D) a single serving of beer not exceeding 26 ounces; or

2189 (E) a single serving of a flavored malt beverage.

2190 (ii) A bar establishment licensee is not required to remain open:

2191 (A) after all patrons have vacated the premises; or

2192 (B) during an emergency.

2193 (5) (a) A minor;

2194 (i) may not be admitted into, use, or be in[: ~~(i) a lounge or bar area of the premises of:~~

2195 ~~(A) an equity licensee; (B) a fraternal licensee; or (C) a dining club licensee; or (ii)] the~~

2196 licensed premises of:

2197 (A) a dining club licensee unless accompanied by an individual who is 21 years of age  
2198 or older; or

2199 (B) a bar licensee, except to the extent provided for under Section [32B-6-406.1](#)[-];

2200 (ii) may only be admitted into, use, or be in the lounge or bar area of an equity

2201 licensee's or fraternal licensee's licensed premises:

2202 (A) when accompanied by an individual who is 21 years of age or older; and

2203 (B) momentarily while en route to another area of the licensee's premises; and

2204 (iii) may not remain or sit in the lounge or bar area of an equity licensee's or fraternal

2205 licensee's licensed premises.

2206 (b) Notwithstanding Section [32B-5-308](#), a bar establishment licensee may not employ a  
2207 minor to:

2208 (i) work in a lounge or bar area of an equity licensee, fraternal licensee, or dining club  
2209 licensee; or

2210 (ii) handle an alcoholic product.

2211 (c) Notwithstanding Section [32B-5-308](#), a minor may not be employed on the licensed  
2212 premises of a bar licensee.

2213 (d) Nothing in this part or Section [32B-5-308](#) precludes a local authority from being  
2214 more restrictive of a minor's admittance to, use of, or presence on the licensed premises of a bar  
2215 establishment licensee.

2216 (6) A bar establishment licensee shall have food available at all times when an  
2217 alcoholic product is sold, offered for sale, furnished, or consumed on the licensed premises.

2218 (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have  
2219 more than two alcoholic products of any kind at a time before the patron.

2220 (b) A patron may not have two spirituous liquor drinks before the bar establishment  
2221 licensee patron if one of the spirituous liquor drinks consists only of the primary spirituous  
2222 liquor for the other spirituous liquor drink.

2223 (c) An individual portion of wine is considered to be one alcoholic product under  
2224 Subsection (7)(a).

2225 (8) A bar establishment licensee shall have available on the premises for a patron to  
2226 review at the time that the patron requests it, a written alcoholic product price list or a menu



2227 containing the price of an alcoholic product sold, offered for sale, or furnished by the bar  
2228 establishment licensee including:

2229 (a) a set-up charge;

2230 (b) a service charge; or

2231 (c) a chilling fee.

2232 (9) Subject to Section 32B-5-309, a bar establishment licensee may not temporarily  
2233 rent or otherwise temporarily lease its premises to a person unless:

2234 (a) the person to whom the bar establishment licensee rents or leases the premises  
2235 agrees in writing to comply with this title as if the person is the bar establishment licensee,  
2236 except for a requirement related to making or maintaining a record; and

2237 (b) the bar establishment licensee takes reasonable steps to ensure that the person  
2238 complies with this section as provided in Subsection (9)(a).

2239 (10) If a bar establishment licensee is an equity licensee or fraternal licensee, the bar  
2240 establishment licensee shall comply with Section 32B-6-407.

2241 (11) If a bar establishment licensee is a dining club licensee or bar licensee, the bar  
2242 establishment licensee shall comply with Section 32B-1-407.

2243 (12) (a) A bar establishment licensee shall own or lease premises suitable for the bar  
2244 establishment licensee's activities.

2245 (b) A bar establishment licensee may not maintain licensed premises in a manner that  
2246 barricades or conceals the bar establishment licensee's operation.

2247 Section 23. Section 32B-6-603 is amended to read:

2248 **32B-6-603. Commission's power to issue on-premise banquet license -- Contracts**  
2249 **as host.**

2250 (1) (a) Before a person may store, sell, offer for sale, furnish, or allow the consumption  
2251 of an alcoholic product in connection with the person's banquet and room service activities at  
2252 one of the following, the person shall first obtain an on-premise banquet license in accordance  
2253 with this part:

2254 (i) a hotel;

2255 (ii) a resort facility;

2256 (iii) a sports center;

2257 (iv) a convention center; [or]

2258 (v) a performing arts facility[-]; or

2259 (vi) an arena.

2260 (b) This part does not prohibit an alcoholic product on the premises of a person listed  
2261 in Subsection (1)(a) to the extent otherwise permitted by this title.

2262 (c) This section does not prohibit a person who applies for an on-premise banquet  
2263 license to also apply for a package agency if otherwise qualified.

2264 (2) The commission may issue an on-premise banquet license to establish on-premise  
2265 banquet licensees in the numbers the commission considers proper for the storage, sale, offer  
2266 for sale, furnishing, and consumption of an alcoholic product at a banquet or as part of room  
2267 service activities operated by an on-premise banquet licensee.

2268 (3) Subject to Section [32B-1-201](#), the commission may not issue a total number of  
2269 on-premise banquet licenses that at any time exceed the number determined by dividing the  
2270 population of the state by 28,765.

2271 (4) Pursuant to a contract between the host of a banquet and an on-premise banquet  
2272 licensee:

2273 (a) the host of the banquet may request an on-premise banquet licensee to provide an  
2274 alcoholic product served at the banquet; and

2275 (b) an on-premise banquet licensee may provide an alcoholic product served at the  
2276 banquet.

2277 (5) At a banquet, an on-premise banquet licensee may furnish an alcoholic product:

2278 (a) without charge to a patron at a banquet, except that the host of the banquet shall pay  
2279 for an alcoholic product furnished at the banquet; or

2280 (b) with a charge to a patron at the banquet.

2281 (6) To be licensed as an on-premise banquet, a person shall maintain at least 50% of  
2282 the person's total annual banquet gross receipts from the sale of food, which does not include:

2283 (a) mix for an alcoholic product; or

2284 (b) a charge in connection with the furnishing of an alcoholic product.

2285 Section 24. Section [32B-6-605](#) is amended to read:

2286 **32B-6-605. Specific operational requirements for on-premise banquet license.**

2287 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2288 Requirements, an on-premise banquet licensee and staff of the on-premise banquet licensee

2289 shall comply with this section.

2290 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2291 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2292 (i) an on-premise banquet licensee;

2293 (ii) individual staff of an on-premise banquet licensee; or

2294 (iii) both an on-premise banquet licensee and staff of the on-premise banquet licensee.

2295 (2) An on-premise banquet licensee shall comply with Subsections 32B-5-301(4) and

2296 (5) for the entire premises of the hotel, resort facility, sports center, convention center, or

2297 performing arts facility that is the basis for the on-premise banquet license.

2298 (3) (a) For the purpose described in Subsection (3)(b), an on-premise banquet licensee

2299 shall provide the department with advance notice of a scheduled banquet in accordance with

2300 rules made by the commission.

2301 (b) Any of the following may conduct a random inspection of a banquet:

2302 (i) an authorized representative of the commission or the department; or

2303 (ii) a law enforcement officer.

2304 (4) (a) An on-premise banquet licensee is not subject to Section 32B-5-302, but shall

2305 make and maintain the records the commission or department requires.

2306 (b) Section 32B-1-205 applies to a record required to be made or maintained in

2307 accordance with this Subsection (4).

2308 (5) (a) Except as otherwise provided in this title, an on-premise banquet licensee may

2309 sell, offer for sale, or furnish an alcoholic product at a banquet only for consumption at the

2310 location of the banquet.

2311 (b) Except as provided in [~~Subsection~~] Subsections 32B-5-307(4) and (5), a host of a

2312 banquet, a patron, or a person other than the on-premise banquet licensee or staff of the

2313 on-premise banquet licensee, may not remove an alcoholic product from the premises of the

2314 banquet.

2315 (c) Notwithstanding Subsection 32B-5-307(3) and except as provided in [~~Subsection~~]

2316 Subsections 32B-5-307(4) and (5), a patron at a banquet may not bring an alcoholic product

2317 into or onto, or remove an alcoholic product from, the premises of a banquet.

2318 (6) (a) An on-premise banquet licensee may not leave an unsold alcoholic product at

2319 the banquet following the conclusion of the banquet.

- 2320 (b) At the conclusion of a banquet, an on-premise banquet licensee shall:
- 2321 (i) destroy an opened and unused alcoholic product that is not saleable, under
- 2322 conditions established by the department; and
- 2323 (ii) return to the on-premise banquet licensee's approved locked storage area any:
- 2324 (A) opened and unused alcoholic product that is saleable; and
- 2325 (B) unopened container of an alcoholic product.
- 2326 (c) Except as provided in Subsection (6)(b) with regard to an open or sealed container
- 2327 of an alcoholic product not sold or consumed at a banquet, an on-premise banquet licensee:
- 2328 (i) shall store the alcoholic product in the on-premise banquet licensee's approved
- 2329 locked storage area; and
- 2330 (ii) may use the alcoholic product at more than one banquet.
- 2331 (7) Notwithstanding Section [32B-5-308](#), an on-premise banquet licensee may not
- 2332 employ a minor to sell, furnish, or dispense an alcoholic product in connection with the
- 2333 on-premise banquet licensee's banquet and room service activities.
- 2334 (8) An on-premise banquet licensee:
- 2335 (a) may provide room service in portions described in Section [32B-5-304](#); ~~and~~
- 2336 (b) may not sell, offer for sale, or furnish an alcoholic product at a banquet or in
- 2337 connection with room service any day during a period that:
- 2338 (i) begins at 1 a.m.; and
- 2339 (ii) ends at 9:59 a.m[.]; and
- 2340 (c) notwithstanding Section [32B-5-305](#), may provide as room service one alcoholic
- 2341 product free of charge per guest reservation, per guest room, if the alcoholic product:
- 2342 (i) is not a spirituous liquor; and
- 2343 (ii) is in an unopened container not to exceed 750 milliliters.
- 2344 (9) (a) Subject to the other provisions of this Subsection (9), a patron may not have
- 2345 more than two alcoholic products of any kind at a time before the patron.
- 2346 (b) A patron may not have more than one spirituous liquor drink at a time before the
- 2347 patron.
- 2348 (c) An individual portion of wine is considered to be one alcoholic product under
- 2349 Subsection (9)(a).
- 2350 (10) (a) An on-premise banquet licensee shall supervise and direct a person involved in

2351 the sale, offer for sale, or furnishing of an alcoholic product.

2352 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
2353 shall complete an alcohol training and education seminar.

2354 (11) A staff person of an on-premise banquet licensee shall remain at the banquet at all  
2355 times when an alcoholic product is sold, offered for sale, furnished, or consumed at the  
2356 banquet.

2357 (12) (a) Room service of an alcoholic product to a guest room of a hotel or resort  
2358 facility shall be provided in person by staff of an on-premise banquet licensee only to an adult  
2359 guest in the guest room.

2360 (b) An alcoholic product may not be left outside a guest room for retrieval by a guest.

2361 (13) An on-premise banquet licensee may not maintain a minibar.

2362 Section 25. Section **32B-6-702** is amended to read:

2363 **32B-6-702. Definitions.**

2364 As used in this part[, "~~recreational~~]:

2365 (1) "Commission-approved activity" means a leisure activity that:

2366 (a) the commission approves by rule made in accordance with Title 63G, Chapter 3,  
2367 Utah Administrative Rulemaking Act; and

2368 (b) does not involve the use of a dangerous weapon.

2369 (2) (a) "Recreational amenity" means:

2370 [~~1~~] (i) a billiard parlor;

2371 [~~2~~] (ii) a pool parlor;

2372 [~~3~~] (iii) a bowling facility;

2373 [~~4~~] (iv) a golf course;

2374 [~~5~~] (v) miniature golf;

2375 [~~6~~] (vi) a golf driving range;

2376 [~~7~~] (vii) a tennis club;

2377 [~~8~~] (viii) a sports facility that hosts professional sporting events and has a seating  
2378 capacity equal to or greater than 6,500;

2379 [~~9~~] (ix) a concert venue that has a seating capacity equal to or greater than 6,500;

2380 [~~10~~] (x) one of the following if owned by a government agency:

2381 [~~a~~] (A) a convention center;

2382           ~~[(b)]~~ (B) a fair facility;

2383           ~~[(c)]~~ (C) an equestrian park;

2384           ~~[(d)]~~ (D) a theater; or

2385           ~~[(e)]~~ (E) a concert venue;

2386           ~~[(H)]~~ (xi) an amusement park:

2387           ~~[(a)]~~ (A) with one or more permanent amusement rides; and

2388           ~~[(b)]~~ (B) located on at least 50 acres;

2389           ~~[(12)]~~ (xii) a ski resort;

2390           ~~[(13)]~~ (xiii) a venue for live entertainment if the venue:

2391           ~~[(a)]~~ (A) is not regularly open for more than five hours on any day;

2392           ~~[(b)]~~ (B) is operated so that food is available whenever beer is sold, offered for sale, or

2393 furnished at the venue; and

2394           ~~[(c)]~~ (C) is operated so that no more than 15% of its total annual receipts are from the

2395 sale of beer; ~~[(or)]~~

2396           ~~[(14)]~~ (xiv) concessions operated within the boundary of a park administered by the:

2397           ~~[(a)]~~ (A) Division of Parks and Recreation; or

2398           ~~[(b)]~~ (B) National Parks Service~~[-]~~;

2399           (xv) a facility or venue that is a recreational amenity for a person licensed under this

2400 part before May 12, 2020;

2401           (xvi) a venue for karaoke; or

2402           (xvii) an enterprise developed around a commission-approved activity.

2403           (b) "Recreational amenity" does not include an item described in Subsection (3)(a), if

2404 the item is tangential to an enterprise or activity that is not included in Subsection (3)(a).

2405           Section 26. Section **32B-6-803** is amended to read:

2406           **32B-6-803. Commission's power to issue reception center license.**

2407           (1) Before a person may store, sell, offer for sale, or furnish an alcoholic product on

2408 ~~[its]~~ the person's premises as a reception center, the person shall first obtain a reception center

2409 license from the commission in accordance with this part.

2410           (2) The commission may issue a reception center license to establish reception center

2411 licensed premises at places and in numbers the commission considers proper for the storage,

2412 sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated

2413 as a reception center.

2414 (3) Subject to Section [32B-1-201](#), the commission may not issue a total number of  
2415 reception center licenses that at any time exceeds the number determined by dividing the  
2416 population of the state by 251,693.

2417 (4) The commission may not issue a reception center license for premises that do not  
2418 meet the proximity requirements of Section [32B-1-202](#).

2419 (5) (a) To be licensed as a reception center, a person [~~may not maintain in excess of~~  
2420 ~~30% of its total annual receipts from the sale of an alcoholic product, which includes~~] shall  
2421 maintain at least 50% of the person's total annual gross receipts from the sale of food, which  
2422 does not include:

2423 (i) mix for an alcoholic product; or

2424 (ii) a charge in connection with the furnishing of an alcoholic product.

2425 (b) A reception center licensee shall report the information necessary to show  
2426 compliance with this Subsection (5) to the department on an annual basis.

2427 Section 27. Section **32B-6-805** is amended to read:

2428 **32B-6-805. Specific operational requirements for a reception center license.**

2429 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2430 Requirements, a reception center licensee and staff of the reception center licensee shall  
2431 comply with this section.

2432 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2433 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2434 (i) a reception center licensee;

2435 (ii) individual staff of a reception center licensee; or

2436 (iii) both a reception center licensee and staff of the reception center licensee.

2437 (2) In addition to complying with Section [32B-5-303](#), a reception center licensee shall  
2438 store an alcoholic product in a storage area described in Subsection (14)(a).

2439 (3) (a) For the purpose described in Subsection (3)(b), a reception center licensee shall  
2440 provide the following with advance notice of a scheduled event in accordance with rules made  
2441 by the commission:

2442 (i) the department; and

2443 (ii) the local law enforcement agency responsible for the enforcement of this title in the

2444 jurisdiction where the reception center is located.

2445 (b) Any of the following may conduct a random inspection of an event:

2446 (i) an authorized representative of the commission or the department; or

2447 (ii) a law enforcement officer.

2448 (4) (a) Except as otherwise provided in this title, a reception center licensee may sell,  
2449 offer for sale, or furnish an alcoholic product at an event only for consumption at the reception  
2450 center's licensed premises.

2451 (b) A host of an event, a patron, or a person other than the reception center licensee or  
2452 staff of the reception center licensee, may not remove an alcoholic product from the reception  
2453 center's licensed premises.

2454 (c) Notwithstanding Section [32B-5-307](#), a patron at an event may not bring an  
2455 alcoholic product into or onto, or remove an alcoholic product from, the reception center.

2456 (5) (a) A reception center licensee may not leave an unsold alcoholic product at an  
2457 event following the conclusion of the event.

2458 (b) At the conclusion of an event, a reception center licensee shall:

2459 (i) destroy an opened and unused alcoholic product that is not saleable, under  
2460 conditions established by the department; and

2461 (ii) return to the reception center licensee's approved locked storage area any:

2462 (A) opened and unused alcoholic product that is saleable; and

2463 (B) unopened container of an alcoholic product.

2464 (c) Except as provided in Subsection (5)(b) with regard to an open or sealed container  
2465 of an alcoholic product not sold or consumed at an event, a reception center licensee:

2466 (i) shall store the alcoholic product in accordance with Subsection (2); and

2467 (ii) may use the alcoholic product at more than one event.

2468 (6) Notwithstanding Section [32B-5-308](#), a reception center licensee may not employ a  
2469 minor in connection with an event at the reception center at which food is not made available.

2470 (7) A person's willingness to serve an alcoholic product may not be made a condition  
2471 of employment as a server with a reception center licensee.

2472 (8) A reception center licensee may not sell, offer for sale, or furnish an alcoholic  
2473 product at the licensed premises on any day during the period that:

2474 (a) begins at 1 a.m.; and



2475 (b) ends at 9:59 a.m.

2476 (9) A reception center licensee may not sell, offer for sale, or furnish an alcoholic  
2477 product at an event at which a minor is present unless the reception center licensee makes food  
2478 available at all times when an alcoholic product is sold, offered for sale, furnished, or  
2479 consumed during the event.

2480 (10) (a) Subject to the other provisions of this Subsection (10), a patron may not have  
2481 more than two alcoholic products of any kind at a time before the patron.

2482 (b) An individual portion of wine is considered to be one alcoholic product under  
2483 Subsection (10)(a).

2484 (11) (a) A reception center licensee shall supervise and direct a person involved in the  
2485 sale, offer for sale, or furnishing of an alcoholic product.

2486 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
2487 shall complete an alcohol training and education seminar.

2488 (12) A staff person of a reception center licensee shall remain at an event at all times  
2489 when an alcoholic product is sold, offered for sale, furnished, or consumed at the event.

2490 (13) A reception center licensee may not sell, offer for sale, or furnish an alcoholic  
2491 product to a patron, and a patron may not consume an alcoholic product at a bar structure.

2492 (14) Except as provided in Subsection (15), a reception center licensee may dispense  
2493 an alcoholic product only if:

2494 (a) the alcoholic product is dispensed from an area that is:

2495 (i) separated from an area for the consumption of food by a patron by a solid,  
2496 translucent, permanent structural barrier such that the facilities for the storage or dispensing of  
2497 an alcoholic product are:

2498 (A) not readily visible to a patron; and

2499 (B) not accessible by a patron; and

2500 (ii) apart from an area used:

2501 (A) for staging; or

2502 (B) as a lobby or waiting area;

2503 (b) the reception center licensee uses an alcoholic product that is:

2504 (i) stored in an area described in Subsection (14)(a); or

2505 (ii) in an area not described in Subsection (14)(a) on the licensed premises and:

- 2506 (A) immediately before the alcoholic product is dispensed it is in an unopened  
2507 container;
- 2508 (B) the unopened container is taken to an area described in Subsection (14)(a) before it  
2509 is opened; and
- 2510 (C) once opened, the container is stored in an area described in Subsection (14)(a); and  
2511 (c) any instrument or equipment used to dispense an alcoholic product is located in an  
2512 area described in Subsection (14)(a).
- 2513 (15) A reception center licensee may dispense an alcoholic product from a mobile  
2514 serving area that:
- 2515 (a) is moved only by staff of the reception center licensee;  
2516 (b) is capable of being moved by only one individual; and  
2517 (c) is no larger than 6 feet long and 30 inches wide.
- 2518 (16) (a) A reception center licensee may not have an event on the licensed premises  
2519 ~~[except]~~ unless the event:
- 2520 (i) is pursuant to a contract between a third party host of the event and the reception  
2521 center licensee under which the reception center licensee provides an alcoholic product sold,  
2522 offered for sale, or furnished at an event[-]; or
- 2523 (ii) is a private event.
- 2524 (b) At an event, a reception center licensee may furnish an alcoholic product:
- 2525 (i) without charge to a patron, except that the third party host of the event shall pay for  
2526 an alcoholic product furnished at the event; or
- 2527 (ii) with a charge to a patron at the event.
- 2528 (c) The commission may by rule define what constitutes a "third-party host" for  
2529 purposes of this Subsection (16) so that a reception center licensee and the third-party host are  
2530 not owned by or operated by the same persons, except that the rule shall permit a reception  
2531 center licensee to host an event for an immediate family member of the reception center  
2532 licensee.
- 2533 (17) A reception center licensee shall have culinary facilities that are:
- 2534 (a) adequate to prepare a full meal; and  
2535 (b) (i) located on the licensed premises; or  
2536 (ii) under the same control as the reception center licensee.

2537 (18) (a) Except as provided in Subsection (18)(b), a reception center licensee may not  
2538 operate an event:

2539 (i) that is open to the general public; and

2540 (ii) at which an alcoholic product is sold or offered for sale.

2541 (b) A reception center licensee may operate an event described in Subsection (18)(a) if  
2542 the event is hosted:

2543 (i) at the reception center no more frequently than once a calendar year; and

2544 (ii) by a nonprofit organization that is organized and qualified under Section 501(c),

2545 Internal Revenue Code.

2546 Section 28. Section **32B-6-1001** is enacted to read:

2547 **Part 10. Hospitality Amenity License**

2548 **32B-6-1001. Hospitality Amenity License.**

2549 This part is known as "Hospitality Amenity License."

2550 Section 29. Section **32B-6-1002** is enacted to read:

2551 **32B-6-1002. Definitions.**

2552 As used in this part:

2553 (1) "Hospitality guest" means an individual:

2554 (a) (i) who is a resident of a resort;

2555 (ii) for whom a resident of a resort provides lodging accommodations for

2556 compensation;

2557 (iii) for whom a hotel provides lodging accommodations for compensation; or

2558 (iv) for whom a resort provides lodging accommodations for compensation; and

2559 (b) who is at least 21 years of age.

2560 (2) "Boundary of a hotel" means the physical boundary of one or more contiguous  
2561 parcels of real property owned or managed by the same person and on which a hotel is located.

2562 (3) "Boundary of a resort building" means the same as that term is defined in Section

2563 [32B-8-102.](#)

2564 (4) "Hotel" means a commercial lodging establishment that offers at least 40 rooms as  
2565 temporary sleeping accommodations for compensation.

2566 Section 30. Section **32B-6-1003** is enacted to read:

2567 **32B-6-1003. Commission's power to issue hospitality amenity license.**

2568 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of  
2569 an alcoholic product on the person's premises as a hospitality amenity licensee, the person shall  
2570 first obtain a hospitality amenity license from the commission in accordance with this part.

2571 (2) (a) The commission may only issue a hospitality amenity license to a hotel or a  
2572 resort.

2573 (b) Beginning November 1, 2020, the commission may issue a hospitality amenity  
2574 license to establish hospitality amenity licensed premises at places and in numbers the  
2575 commission considers proper for the storage, sale, offer for sale, furnishing, and consumption  
2576 of alcoholic products on premises operated as a hospitality amenity licensee.

2577 (3) The commission may authorize the sale of an alcoholic product at as many as three  
2578 hospitality amenity locations within the boundary of a hotel or the boundary of a resort building  
2579 under one hospitality amenity license if:

2580 (a) the hotel or resort has a minimum of 150 rooms for temporary sleeping  
2581 accommodations; and

2582 (b) the commission determines the location, design, and construction of the hotel or  
2583 resort requires more than one hospitality amenity location within the hotel or resort to serve the  
2584 public convenience.

2585 (4) Except as otherwise provided in Section [32B-1-202](#), the commission may not issue  
2586 a hospitality amenity license for premises that do not meet the proximity requirements of  
2587 Subsection [32B-1-202\(2\)](#).

2588 Section 31. Section **32B-6-1004** is enacted to read:

2589 **32B-6-1004. Specific licensing requirements for a hospitality amenity license.**

2590 (1) To obtain a hospitality amenity license a person shall comply with Chapter 5, Part  
2591 2, Retail Licensing Process.

2592 (2) (a) A hospitality amenity license expires on October 31 of each year.

2593 (b) To renew a person's hospitality amenity license, a person shall comply with the  
2594 renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than  
2595 September 30.

2596 (3) (a) The nonrefundable application fee for a hospitality amenity license is \$330.

2597 (b) The initial license fee for a hospitality amenity license is \$2,000.

2598 (c) The renewal fee for a hospitality amenity license is \$1,000.

2599 (4) The bond amount required for a hospitality amenity license is the penal sum of  
2600 \$10,000.

2601 (5) Notwithstanding Subsection 32B-5-303(3), the department may approve an  
2602 additional location in or on the licensed premises of a hospitality amenity licensee from which  
2603 the hospitality amenity licensee may store, sell, offer for sale, furnish, or allow the  
2604 consumption of an alcoholic product that is not included in the person's original application  
2605 only:

2606 (a) upon proper application by a hospitality amenity licensee; and

2607 (b) in accordance with guidelines the commission approves.

2608 Section 32. Section **32B-6-1005** is enacted to read:

2609 **32B-6-1005. Specific operational requirements for hospitality amenity license.**

2610 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2611 Requirements, a hospitality amenity licensee and staff of the hospitality amenity licensee shall  
2612 comply with this section.

2613 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2614 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2615 (i) the hospitality amenity licensee;

2616 (ii) individual staff of the hospitality amenity licensee; or

2617 (iii) both the hospitality amenity licensee and staff of the hospitality amenity licensee.

2618 (2) (a) A hospitality amenity licensee may sell, offer for sale, or furnish an alcoholic  
2619 product:

2620 (i) to a hospitality guest; and

2621 (ii) for consumption in or on the hospitality amenity licensee's licensed premises.

2622 (b) (i) A hospitality amenity licensee may sell, offer for sale, or furnish an alcoholic  
2623 product that is not spirituous liquor in or on:

2624 (A) licensed premises physically separated from an area to which a hospitality guest or  
2625 the public has access by a permanent or temporary structure or barrier; or

2626 (B) licensed premises described in Subsection (2)(b)(ii).

2627 (ii) A hospitality amenity licensee may sell, offer for sale, or furnish spirituous liquor  
2628 in or on licensed premises that:

2629 (A) allows access only through the use of a key or code; and

2630 (B) fills the entirety of a physically and permanently enclosed area within the hotel or  
2631 resort.

2632 (c) Spirituous liquor may not be in or on the licensed premises described in Subsection  
2633 (2)(b)(i)(A) of a hospitality amenity licensee, except for use:

2634 (i) as a flavoring on a dessert; and

2635 (ii) in the preparation of a flaming food dish or dessert.

2636 (d) a hospitality amenity licensee may not allow self-service of an alcoholic product in  
2637 or on the hospitality amenity licensee's licensed premises.

2638 (3) (a) Subject to Subsections (3)(b) and (c), a hospitality guest may not have more  
2639 than two alcoholic products of any kind at a time before the hospitality guest.

2640 (b) A hospitality guest may not have more than one spirituous liquor drink at a time  
2641 before the hospitality guest.

2642 (c) An individual portion of wine is considered to be one alcoholic product under  
2643 Subsection (3)(a).

2644 (4) A hospitality amenity licensee shall make food available at all times that the  
2645 licensee sells, offers for sale, furnishes, or allows the consumption of an alcoholic product on  
2646 the licensed premises.

2647 (5) (a) A hospitality amenity licensee may not sell, offer for sale, or furnish an  
2648 alcoholic product any day during a period that:

2649 (i) begins at 1:00 a.m.; and

2650 (ii) ends at 9:59 a.m.

2651 (b) A hospitality amenity licensee shall remain open for one hour after the licensee  
2652 ceases to sell and furnish an alcoholic product, during which time a hospitality guest in or on  
2653 the hospitality amenity licensed premises may finish consuming:

2654 (i) a single drink containing spirituous liquor;

2655 (ii) a single serving of wine not exceeding five ounces;

2656 (iii) a single serving of heavy beer;

2657 (iv) a single serving of beer not exceeding 26 ounces; or

2658 (v) a single serving of a flavored malt beverage.

2659 (c) A hospitality amenity licensee is not required to remain open:

2660 (i) after all individuals have vacated the licensee's licensed premises; or

2661 (ii) during an emergency.

2662 (6) (a) Notwithstanding Section 32B-5-305, a hospitality amenity licensee may provide  
2663 a hospitality guest up to two single servings of an alcoholic product free of charge or at a  
2664 reduced rate, if:

2665 (i) the alcoholic product is not a spirituous liquor; and

2666 (ii) the hospitality amenity licensee offers the alcohol product:

2667 (A) to all hospitality guests:

2668 (B) during a specific time; and

2669 (C) on the hospitality amenity licensee's licensed premises.

2670 (b) Before a hospitality amenity licensee provides an alcoholic product free of charge  
2671 or at a reduced rate as described in Subsection (6)(a), the licensee shall provide the department  
2672 with advance notice of the event, in accordance with commission rules that permit a licensee to  
2673 provide a single notice for a reoccurring event or multiple events.

2674 (7) A hospitality amenity licensee may permit a hospitality guest to purchase an alcohol  
2675 product through a charge to the hospitality guest's lodging accommodations.

2676 (8) (a) A hospitality guest, or a person other than the hospitality amenity licensee or  
2677 staff of the hospitality amenity licensee, may not remove an alcoholic product from the  
2678 hospitality amenity licensee's licensed premises.

2679 (b) Notwithstanding Section 32B-5-307(3), a hospitality guest may not bring an  
2680 alcoholic product within the hospitality amenity licensee's licensed premises.

2681 (9) A hospitality amenity licensee shall display at each entrance to the licensee's  
2682 licensed premises a conspicuous sign that:

2683 (a) measures at least 8-1/2 inches long and 11 inches wide; and

2684 (b) clearly states that entry is limited to individuals who are hospitality guests, as  
2685 defined in this title.

2686 (10) A hospitality amenity licensee may not permit a minor to enter the licensee's  
2687 licensed premises at any time during which an alcoholic product is sold, offered for sale,  
2688 furnished, or consumed, unless the minor is accompanied at all times on the licensed premises  
2689 by a hospitality guest.

2690 (11) A staff person of a hospitality amenity licensee shall remain on the licensed  
2691 premises at all times when an alcoholic product is sold, offered for sale, furnished, or

2692 consumed in or on the licensed premises.

2693 (12) A hospitality amenity licensee may transfer an alcoholic product to or from  
2694 another licensee within the boundary of the hotel or within the boundary of the resort building,  
2695 if:

2696 (a) the hospitality amenity licensee and each licensee involved in the transfer tracks the  
2697 transfer of the alcoholic product; and

2698 (b) the alcoholic product is in a sealed, unopened container.

2699 (13) (a) In addition to the requirements described in Section [32B-5-302](#), a hospitality  
2700 amenity licensee shall maintain each of the following records for at least three years:

2701 (i) a record required under Section [32B-5-302](#); and

2702 (ii) a record that the commission requires a hospitality amenity licensee to use or  
2703 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative  
2704 Rulemaking Act.

2705 (b) The department shall audit the records of a hospitality amenity licensee at least  
2706 once each calendar year.

2707 Section 33. Section **32B-7-409** is enacted to read:

2708 **32B-7-409. Multiple licenses on same premises.**

2709 (1) Except as provided in Subsection (2), the commission may not issue and one or  
2710 more licensees may not hold an off-premise beer retailer state licensee for the same licensed  
2711 premises or adjacent licensed premises as a retail licensee, unless the licensed premises:

2712 (a) are separated by a permanent, opaque, floor-to-ceiling wall;

2713 (b) each have a separate entrance to the licensed premises; and

2714 (c) each have separate restroom facilities on the licensed premises.

2715 (2) The commission may issue and an off-premise beer retailer state licensee may hold  
2716 more than one type of license for the same licensed premises or adjacent licensed premises, if:

2717 (a) a manufacturing licensee is located on or adjacent to the licensed premises; and

2718 (b) a package agency is located on or adjacent to the licensed premises.

2719 Section 34. Section **32B-8-102** is amended to read:

2720 **32B-8-102. Definitions.**

2721 As used in this chapter:

2722 (1) "Boundary of a resort building" means the physical boundary of the [~~land~~] real



2723 property reasonably related to a resort building and any structure or improvement to that land  
 2724 as determined by the commission.

2725 (2) "Dwelling" means a portion of a resort building:

2726 (a) owned by one or more individuals;

2727 (b) that is used or designated for use as a residence by one or more persons; and

2728 (c) that may be rented, loaned, leased, or hired out for a period of no longer than 30  
 2729 consecutive days by a person who uses it for a residence.

2730 (3) "Engaged in the management of the resort" may be defined by the commission by  
 2731 rule.

2732 [~~(4) "Invitee" means an individual who in accordance with Subsection 32B-8-304(11)~~  
 2733 ~~is authorized to use a resort spa by a host who is:]~~

2734 [~~(a) a resident; or]~~

2735 [~~(b) a public customer.]~~

2736 [~~(5) "Provisions applicable to a sublicense" means:]~~

2737 [~~(a) for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant~~  
 2738 ~~License;]~~

2739 [~~(b) for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service~~  
 2740 ~~Restaurant License;]~~

2741 [~~(c) for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;]~~

2742 [~~(d) for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet~~  
 2743 ~~License;]~~

2744 [~~(e) for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer~~  
 2745 ~~Retailer License; and]~~

2746 [~~(f) for a resort spa sublicense, Part 3, Resort Spa Sublicense.]~~

2747 [~~(6) "Public customer" means an individual who holds a customer card in accordance~~  
 2748 ~~with Subsection 32B-8-304(12).]~~

2749 [~~(7)] (4) "Resident" means an individual who:~~

2750 (a) owns a dwelling located within a resort building; or

2751 (b) rents lodging accommodations for 30 consecutive days or less from:

2752 (i) an owner of a dwelling described in Subsection [~~(7)] (4)(a); or~~

2753 (ii) the resort licensee.

2754 ~~[(8)]~~ (5) "Resort" means a location:  
2755 (a) on which is located one resort building; and  
2756 (b) that is affiliated with a ski area that physically touches the boundary of the resort  
2757 building.

2758 ~~[(9)]~~ (6) "Resort building" means a building:  
2759 (a) that is primarily operated to provide dwellings or lodging accommodations;  
2760 (b) that has at least 150 units that consist of a dwelling or lodging accommodations;  
2761 (c) that consists of at least 400,000 square feet:  
2762 (i) including only the building itself; and  
2763 (ii) not including areas such as above ground surface parking; and  
2764 (d) of which at least 50% of the units described in Subsection ~~[(9)]~~ (6)(b) consist of  
2765 dwellings owned by a person other than the resort licensee.

2766 ~~[(10) "Resort spa" means a spa, as defined by rule by the commission, that is within the  
2767 boundary of a resort building.]~~

2768 ~~[(11) "Sublicense" means:]~~  
2769 ~~[(a) a full-service restaurant sublicense;]~~  
2770 ~~[(b) a limited-service restaurant sublicense;]~~  
2771 ~~[(c) a bar establishment sublicense;]~~  
2772 ~~[(d) an on-premise banquet sublicense;]~~  
2773 ~~[(e) an on-premise beer retailer sublicense; and]~~  
2774 ~~[(f) a resort spa sublicense.]~~

2775 ~~[(12) "Sublicense premises" means a building, enclosure, or room used pursuant to a  
2776 sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic  
2777 product, unless otherwise defined in this title or in the rules made by the commission.]~~

2778 Section 35. Section **32B-8-201** is amended to read:

2779 **32B-8-201. Commission's power to issue a resort license.**

2780 (1) Before a person as a resort under a single license may store, sell, offer for sale,  
2781 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person  
2782 shall first obtain a resort license from the commission in accordance with this part.

2783 (2) (a) The commission may issue to a person a resort license to allow the storage, sale,  
2784 offer for sale, furnishing, and consumption of an alcoholic product in connection with a resort

2785 designated in the resort license if the person operates at least four sublicenses under the resort  
2786 license.

2787 (b) A resort license shall:

2788 (i) consist of:

2789 (A) a general resort license; and

2790 (B) ~~the~~ four or more sublicenses; and

2791 (ii) designate the boundary of the resort building.

2792 (c) This chapter does not prohibit an alcoholic product in or on the boundary of the  
2793 resort building to the extent otherwise permitted by this title.

2794 ~~[(d) The commission may not issue a sublicense that is separate from a resort license.]~~

2795 (3) ~~(a)~~ The commission may not issue a total number of resort licenses that at any  
2796 time totals more than four.

2797 ~~[(b) Subject to Subsection (3)(c), when determining the total number of licenses the  
2798 commission has issued for each type of retail license, the commission may not include a  
2799 sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.]~~

2800 ~~[(c) If a resort license issued under this chapter includes a sublicense that before the  
2801 issuance of the resort license was a retail licensee under this chapter, the commission shall  
2802 include the sublicense as one of the retail licenses issued under the provisions applicable to the  
2803 sublicense in determining if the total number of licenses issued under the provisions applicable  
2804 to the sublicense exceeds the number calculated by dividing the population of the state by the  
2805 number specified in the provisions applicable to the sublicense.]~~

2806 Section 36. Section **32B-8-202** is amended to read:

2807 **32B-8-202. Specific licensing requirements for resort license.**

2808 (1) To obtain a resort license, in addition to complying with Chapter 5, Part 2, Retail  
2809 Licensing Process, a person shall submit with the person's written application:

2810 ~~[(a) the current business license for each sublicense, if the business license is separate  
2811 from the person's business license;]~~

2812 ~~[(b)]~~ (a) evidence:

2813 (i) of proximity of the resort building to any community location~~[-with proximity  
2814 requirements being governed by Section [32B-1-202](#)];~~

2815 (ii) that each ~~[of the four or more sublicense]~~ proposed sublicensed premises is entirely

2816 within the boundaries of the resort building; and  
2817 (iii) that the building designated in the application as the resort building qualifies as a  
2818 resort building; and  
2819 ~~[(c)]~~ (b) a description and boundary map of the resort building[?];  
2820 ~~[(d) a description, floor plan, and boundary map of each sublicense premises~~  
2821 ~~designating;~~  
2822 ~~[(i) any location at which the person proposes that an alcoholic product be stored; and]~~  
2823 ~~[(ii) a designated location on the sublicense premises from which the person proposes~~  
2824 ~~that an alcoholic product be sold, furnished, or consumed;]~~  
2825 ~~[(e) evidence that the resort license person carries dramshop insurance coverage equal~~  
2826 ~~to the sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both~~  
2827 ~~the general resort license and each sublicense; and]~~  
2828 ~~[(f) a signed consent form stating that the person will permit any authorized~~  
2829 ~~representative of the commission, department, or any law enforcement officer to have~~  
2830 ~~unrestricted right to enter the boundary of the resort building and each sublicense premises.]~~  
2831 (2) (a) A resort license expires on October 31 of each year.  
2832 (b) To renew a person's resort license, the person shall comply with the requirements of  
2833 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.  
2834 (3) (a) The nonrefundable application fee for a resort license is \$300.  
2835 (b) The initial license fee for a resort license is calculated as follows:  
2836 (i) ~~[\$10,000]~~ if four sublicenses are being applied for under the resort license, \$10,000;  
2837 or  
2838 (ii) if more than four sublicenses are being applied for under the resort license, the sum  
2839 of:  
2840 (A) \$10,000; and  
2841 (B) \$2,000 for each sublicense in excess of four sublicenses for which the person is  
2842 applying.  
2843 (c) The renewal fee for a resort license is \$1,000 for each sublicense under the resort  
2844 license.  
2845 (4) (a) The bond amount required for a resort license is the penal sum of \$25,000.  
2846 (b) A resort licensee is not required to have a separate bond for each sublicense, except

2847 that the aggregate of the bonds posted by the resort licensee shall cover each sublicense under  
2848 the resort license.

2849 (5) The commission may not issue a resort license for a resort building that does not  
2850 meet the proximity requirements of Section [32B-1-202](#).

2851 (6) In accordance with Subsection [32B-8d-103\(4\)](#), a resort licensee may request to add  
2852 a sublicense after the commission issues the resort licensee's resort license.

2853 Section 37. Section **32B-8-401** is amended to read:

2854 **32B-8-401. Specific operational requirements for resort license.**

2855 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2856 Requirements, a resort licensee, staff of the resort licensee, and a sublicensee or a person  
2857 otherwise operating under a sublicense shall comply with this section.

2858 (b) Subject to Section [32B-8-502](#), failure to comply as provided in Subsection (1)(a)  
2859 may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
2860 Enforcement Act, against:

2861 (i) [~~a~~] the resort licensee;

2862 (ii) individual staff of [~~a~~] the resort licensee;

2863 (iii) a sublicensee or person otherwise operating under a sublicense of the resort  
2864 licensee;

2865 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense  
2866 of the resort licensee; or

2867 (v) any combination of the persons listed in [~~this Subsection (1)(b)] Subsections~~

2868 (1)(b)(i) through (iv).  
2869 (2) (a) A resort licensee may not sell, offer for sale, or furnish an alcoholic product  
2870 except:

2871 (i) on [~~a sublicense~~] sublicensed premises;

2872 (ii) pursuant to a permit issued under this title; or

2873 (iii) under a package agency agreement with the department, subject to Chapter 2, Part  
2874 6, Package Agency.

2875 (b) A resort licensee who sells, offers for sale, or furnishes an alcoholic product as  
2876 provided in Subsection (2)(a), shall sell, offer for sale, or furnish the alcoholic product:

2877 (i) if on a sublicense premises, in accordance with the operational requirements [~~under~~

2878 ~~the provisions applicable to the sublicense, except as provided in Section [32B-8-402](#)] described~~  
2879 in Section [32B-8d-104](#);

2880 (ii) if under a permit issued under this title, in accordance with the operational  
2881 requirements under the provisions applicable to the permit; and

2882 (iii) if as a package agency, in accordance with the contract with the department and  
2883 Chapter 2, Part 6, Package Agency.

2884 [~~(3) A resort licensee shall comply with Subsections [32B-5-301](#)(4) and (5) within the~~  
2885 ~~boundary of the resort building.]~~

2886 [(4)] (3) A resort licensee shall operate in a manner so that at least 70% of the annual  
2887 aggregate of the gross receipts related to the sale of food or beverages for the resort license and  
2888 each of [its] the resort licensee's sublicenses is from the sale of food, not including:

2889 (a) mix for an alcoholic product; and

2890 (b) a charge in connection with the service of an alcoholic product.

2891 [(5)] (4) (a) A resort licensee shall supervise and direct a person involved in the sale,  
2892 offer for sale, or furnishing of an alcoholic product under a resort license.

2893 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
2894 under a resort license shall complete the alcohol training and education seminar.

2895 [(6)] (5) (a) Room service of an alcoholic product to a lodging accommodation of a  
2896 resort licensee shall be provided in person by staff of [a] the resort licensee only to an adult  
2897 occupant in the lodging accommodation.

2898 (b) An alcoholic product may not be left outside a lodging accommodation for retrieval  
2899 by an occupant.

2900 Section 38. Section **32B-8-501** is amended to read:

2901 **32B-8-501. Enforcement of qualifications for resort license or sublicense.**

2902 (1) The commission or department may not take an action described in Subsection (2)  
2903 with regard to a resort license unless the person who is found not to meet the qualifications of  
2904 [~~Section [32B-8-203](#)] Subsection [32B-1-304](#)(1)] is one of the following who is engaged in the  
2905 management of the resort:~~

2906 (a) a partner;

2907 (b) a managing agent;

2908 (c) a manager;

- 2909 (d) an officer;
- 2910 (e) a director;
- 2911 (f) a stockholder who holds at least 20% of the total issued and outstanding stock of the
- 2912 corporation;
- 2913 (g) a member who owns at least 20% of the limited liability company; or
- 2914 (h) a person employed to act in a supervisory or managerial capacity for the resort
- 2915 licensee.
- 2916 (2) Subsection (1) applies to:
- 2917 (a) the commission immediately suspending or revoking a resort license, if after the
- 2918 day on which the resort license is issued, a person described in Subsection ~~[32B-8-203(†)]~~
- 2919 32B-1-304(7)(a):
- 2920 (i) is found to have been convicted of an offense described in Subsection
- 2921 32B-1-304(1)(a) before the commission issues the resort license ~~[is issued]~~; or
- 2922 (ii) on or after the day on which the commission issues the resort license ~~[is issued]~~:
- 2923 (A) is convicted of an offense described in Subsection 32B-1-304(1)(a)(i) or (ii); or
- 2924 (B) (I) is convicted of driving under the influence of alcohol, a drug, or the combined
- 2925 influence of alcohol and a drug; and
- 2926 (II) was convicted of driving under the influence of alcohol, a drug, or the combined
- 2927 influence of alcohol and a drug within five years before the day on which the person is
- 2928 convicted of the offense described in Subsection (2)(b)(ii)(A);
- 2929 (b) the director taking an emergency action by immediately suspending the operation of
- 2930 a resort license in accordance with Title 63G, Chapter 4, Administrative Procedures Act, for
- 2931 the period during which the criminal matter is being adjudicated if a person described in
- 2932 Subsection ~~[32B-8-203(†)]~~ 32B-1-304(7):
- 2933 (i) is arrested on a charge for an offense described in Subsection 32B-1-304(1)(a)(i) or
- 2934 (ii); or
- 2935 (ii) (A) is arrested on a charge for the offense of driving under the influence of alcohol,
- 2936 a drug, or the combined influence of alcohol and a drug; and
- 2937 (B) was convicted of driving under the influence of alcohol, a drug, or the combined
- 2938 influence of alcohol and a drug within five years before the day on which the person is arrested
- 2939 on a charge described in Subsection (2)(b)(ii)(A); and

2940 (c) the commission suspending or revoking a resort license because a person to whom  
2941 the commission issues a resort license [~~is issued~~] under this chapter no longer possesses the  
2942 qualifications required by this title for obtaining the resort license.

2943 (3) This section does not prevent the commission from suspending or revoking a  
2944 sublicense that is part of a resort license if a person employed to act in a supervisory or  
2945 managerial capacity for a sublicense no longer meets the qualification requirements in the  
2946 provisions applicable to the sublicense.

2947 Section 39. Section **32B-8-502** is amended to read:

2948 **32B-8-502. Enforcement of operational requirements for resort license or**  
2949 **sublicense.**

2950 (1) (a) Except as provided in Subsection (2) [~~and in addition to Subsection (3)~~], failure  
2951 by a person described in Subsection (1)(b) to comply with this chapter or [~~an operational~~  
2952 ~~requirement under a provision applicable to a sublicense~~] Chapter 8d, Sublicense Act, may  
2953 result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
2954 Enforcement Act, against:

- 2955 (i) a resort licensee;  
2956 (ii) individual staff of a resort licensee;  
2957 (iii) a sublicense or person otherwise operating under a sublicense;  
2958 (iv) individual staff of a sublicense or person otherwise operating under a sublicense;

2959 or

2960 (v) any combination of the persons listed in [~~this Subsection (1)(a)~~] Subsections  
2961 (1)(a)(i) through (iv).

2962 (b) This Subsection (1) applies to:

- 2963 (i) a resort licensee;  
2964 (ii) a sublicense or person operating under a sublicense of a resort license; or  
2965 (iii) staff of a resort licensee or sublicensee or other person operating under a  
2966 sublicense of a resort license.

2967 (2) (a) Notwithstanding the other provisions of this title, if the failure to comply with  
2968 this chapter described in Subsection (1) relates to a sale, offer for sale, or furnishing of an  
2969 alcoholic product on [~~a sublicense~~] sublicensed premises, a resort licensee or an individual  
2970 member of the resort licensee's management personnel is subject to a sanction described in



2971 Subsection (1), only if the commission finds that:

2972 (i) during the three years before the day on which the commission makes the finding,  
2973 there are three or more disciplinary proceedings against any sublicensee or person operating  
2974 under a sublicense of the resort licensee for failure to comply with an operational requirement  
2975 applicable to the sublicense; and

2976 (ii) the resort licensee has not taken reasonable steps to prevent persons operating  
2977 under a sublicense of the resort licensee from failing to comply with operational requirements  
2978 applicable to the sublicense.

2979 (b) This Subsection (2) applies if the three or more disciplinary proceedings described  
2980 in Subsection (2)(a) are against:

2981 (i) the same person operating under a sublicense of the resort licensee; or

2982 (ii) two or more different persons operating under a sublicense of the resort licensee.

2983 [~~3~~] ~~An operational requirement applicable to a person operating under a sublicense is~~  
2984 ~~enforced as provided by the provisions applicable to the sublicense.]~~

2985 Section 40. Section **32B-8a-101** is amended to read:

2986 **Part 8a. Transfer of Alcohol License Act**

2987 **32B-8a-101. Title.**

2988 This chapter is known as the "Transfer of [~~Retail~~] Alcohol License Act."

2989 Section 41. Section **32B-8a-102** is amended to read:

2990 **32B-8a-102. Definitions.**

2991 As used in this chapter:

2992 (1) "Alcohol license" means:

2993 (a) a retail license;

2994 (b) an off-premise beer retailer state license;

2995 (c) a brewery manufacturing license;

2996 (d) a distillery manufacturing license;

2997 (e) a winery manufacturing license; and

2998 (f) a special use permit that is an industrial or manufacturing use permit.

2999 [~~1~~] (2) "Business entity" means a corporation, partnership, limited liability company,  
3000 sole proprietorship, or similar entity.

3001 [~~2~~] (3) "Transfer fee" means a fee described in Section **32B-8a-303**.

3002           ~~[(3)]~~ (4) "Transferee" means a person who intends to hold ~~[a retail]~~ an alcohol license  
3003 after the transfer of the ~~[retail]~~ alcohol license if the transfer is approved by the commission  
3004 under this chapter.

3005           ~~[(4)]~~ (5) "Transferor" means ~~[a retail]~~ an alcohol licensee who intends to transfer ~~[a~~  
3006 ~~retail]~~ an alcohol license held by the ~~[retail]~~ alcohol licensee if the commission approves the  
3007 transfer ~~[is approved by the commission]~~ under this chapter.

3008           Section 42. Section **32B-8a-201** is amended to read:

3009           **32B-8a-201. Transferability of alcohol license.**

3010           (1) (a) ~~[A retail]~~ An alcohol license is separate from other property of ~~[a retail]~~ an  
3011 alcohol licensee.

3012           (b) Notwithstanding Subsection (1)(a), the Legislature may terminate or modify the  
3013 existence of any type of ~~[retail]~~ alcohol license.

3014           (c) Except as provided in this chapter, a person may not:

3015           (i) transfer ~~[a retail]~~ an alcohol license from one location to another location; or

3016           (ii) sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the  
3017 ~~[retail]~~ alcohol license to another person whether for monetary gain or not.

3018           (d) If approved by the commission and subject to the requirements of this chapter, ~~[a~~  
3019 ~~retail]~~ an alcohol licensee may transfer ~~[a retail]~~ the alcohol license:

3020           (i) from the ~~[retail]~~ alcohol licensee to another person, regardless of whether ~~[it]~~ the  
3021 alcohol license is for the same premises; and

3022           (ii) from one premises of the ~~[retail]~~ alcohol licensee to another premises of the ~~[retail]~~  
3023 alcohol licensee.

3024           (2) (a) The commission may not approve the transfer of ~~[a retail]~~ an alcohol license  
3025 that results in a transferee holding a different type of ~~[retail]~~ alcohol license than is held by the  
3026 transferor.

3027           (b) ~~[The]~~ Unless the alcohol license is a bar establishment license, the commission may  
3028 not approve the transfer of ~~[a retail]~~ an alcohol license from one location to another location, if  
3029 the location of the premises to which the ~~[retail]~~ alcohol license would be transferred is in a  
3030 different county than the location of the licensed premises of the ~~[retail]~~ alcohol license being  
3031 transferred.

3032           (3) The commission may not approve the transfer of ~~[a retail]~~ an alcohol license if the

3033 transferee:

3034 (a) is not eligible to hold the same type of [~~retail~~] alcohol license as the [~~retail~~] alcohol  
 3035 license to be transferred at the premises to which the [~~retail~~] alcohol license would be  
 3036 transferred; or

3037 (b) is delinquent in the payment of any of the following that arises in full or in part out  
 3038 of the operation of a [~~retail~~] alcohol license:

3039 (i) a tax, fee, or charge due under this title or Title 59, Revenue and Taxation; or

3040 (ii) an amount due under Title 35A, Chapter 4, Employment Security Act.

3041 (4) This chapter does not apply to a:

3042 (a) master full-service restaurant license; [~~or~~]

3043 (b) master limited-service restaurant license[~~;~~]; or

3044 (c) master off-premise beer retailer state license.

3045 Section 43. Section **32B-8a-202** is amended to read:

3046 **32B-8a-202. Effect of transfer of ownership of business entity.**

3047 (1) (a) When the ownership of 51% or more of the shares of stock of a corporation is  
 3048 acquired by or transferred to one or more persons who did not hold the ownership of 51% of  
 3049 those shares of stock on the date [~~a retail~~] an alcohol license is issued to the corporation, the  
 3050 corporation shall comply with this chapter to transfer the [~~retail~~] alcohol license to the  
 3051 corporation as if the corporation is newly constituted.

3052 (b) When there is a new general partner or when the ownership of 51% or more of the  
 3053 capital or profits of a limited partnership is acquired by or transferred to one or more persons as  
 3054 general or limited partners and who did not hold ownership of 51% or more of the capital or  
 3055 profits of the limited partnership on the date [~~a retail~~] an alcohol license is issued to the limited  
 3056 partnership, the limited partnership shall comply with this chapter to transfer the [~~retail~~]  
 3057 alcohol license to the limited partnership as if the limited partnership is newly constituted.

3058 (c) When the ownership of 51% or more of the interests in a limited liability company  
 3059 is acquired by or transferred to one or more persons as members who did not hold ownership of  
 3060 51% or more of the interests in the limited liability company on the date [~~a retail~~] an alcohol  
 3061 license is issued to the limited liability company, the limited liability company shall comply  
 3062 with this chapter to transfer the [~~retail~~] alcohol license to the limited liability company as if the  
 3063 limited liability company is newly constituted.

3064 (2) A business entity shall comply with this section within 60 days after the day on  
3065 which the event described in Subsection (1) occurs.

3066 Section 44. Section **32B-8a-203** is amended to read:

3067 **32B-8a-203. Operational requirements for transferee.**

3068 (1) (a) A transferee shall begin operations of the [~~retail~~] alcohol license within 30 days  
3069 [~~from~~] after the day on which a transfer is approved by the commission, except that:

3070 (i) the department may grant an extension of this time period not to exceed 30 days;  
3071 and

3072 (ii) after the extension is authorized by the department under Subsection (1)(a)(i), the  
3073 commission may grant one or more additional extensions not to exceed, in the aggregate, seven  
3074 months from the day on which the commission approves the transfer, if the transferee can  
3075 demonstrate to the commission that the transferee:

3076 (A) cannot begin operations because the transferee is improving the licensed premises;

3077 (B) has obtained a building permit for the improvements described in Subsection  
3078 (1)(a)(ii)(A); and

3079 (C) is working expeditiously to complete the improvements to the licensed premises.

3080 (b) A transferee is considered to have begun operations of the [~~retail~~] alcohol license if  
3081 the transferee:

3082 (i) has a licensed premises that is open for business;

3083 (ii) (A) sells, offers for sale, or furnishes alcoholic products to a patron on the licensed  
3084 premises described in Subsection (1)(b)(i); [~~and~~]

3085 (B) manufactures an alcoholic product on the licensed premises described in  
3086 Subsection (1)(b)(i); or

3087 (C) engages in an industrial or manufacturing pursuit containing alcohol on the  
3088 licensed premises described in Subsection (1)(b)(i); and

3089 [~~(iii)~~] (iii) has a valid business license.

3090 (2) If a transferee fails to begin operations of the [~~retail~~] alcohol license within the time  
3091 period required by Subsection (1), the following are automatically forfeited effective  
3092 immediately:

3093 (a) the [~~retail~~] alcohol license; and

3094 (b) the [~~retail~~] alcohol license fee.

3095 (3) A transferee shall begin operations of the [~~retail~~] alcohol license at the location to  
3096 which the transfer applies before the transferee may seek a transfer of the [~~retail~~] alcohol  
3097 license to a different location.

3098 (4) Notwithstanding Subsection (1), the commission may not issue a conditional  
3099 license unless the requirements of Section 32B-5-205 are met, except that the time periods  
3100 required by this section supersede the time period provided in Section 32B-5-205.

3101 Section 45. Section 32B-8a-302 is amended to read:

3102 **32B-8a-302. Application -- Approval process.**

3103 (1) To obtain the transfer of [~~a retail~~] an alcohol license from [~~a retail~~] an alcohol  
3104 licensee, the transferee shall file a transfer application with the department that includes:

3105 (a) an application in the form provided by the department;

3106 (b) a statement as to whether the consideration, if any, to be paid to the transferor  
3107 includes payment for transfer of the [~~retail~~] alcohol license;

3108 (c) a statement executed under penalty of perjury that the consideration as set forth in  
3109 the escrow agreement required by Section 32B-8a-401 is deposited with the escrow holder; and

3110 (d) (i) an application fee of \$300; and

3111 (ii) a transfer fee determined in accordance with Section 32B-8a-303.

3112 (2) If the intended transfer of [~~a retail~~] an alcohol license involves consideration, at  
3113 least 10 days before the commission may approve the transfer, the department shall post a  
3114 notice of the intended transfer on the Public Notice Website created in Section 63F-1-701 that  
3115 states the following:

3116 (a) the name of the transferor;

3117 (b) the name and address of the business currently associated with the [~~retail~~] alcohol  
3118 license;

3119 (c) instructions for filing a claim with the escrow holder; and

3120 (d) the projected date that the commission may consider the transfer application.

3121 (3) (a) (i) Before the commission may approve the transfer of [~~a retail~~] an alcohol  
3122 license, the department shall conduct an investigation and may hold public hearings to gather  
3123 information and make recommendations to the commission as to whether the transfer of the  
3124 [~~retail~~] alcohol license should be approved.

3125 (ii) The department shall forward the information and recommendations described in

3126 this Subsection (3)(a) to the commission to aid in the commission's determination.

3127 (b) Before approving a transfer, the commission shall:

3128 (i) determine that the transferee filed a complete application;

3129 (ii) determine that the transferee is eligible to hold the type of [retail] alcohol license

3130 that is to be transferred at the premises to which the [retail] alcohol license would be

3131 transferred;

3132 (iii) determine that the transferee is not delinquent in the payment of an amount

3133 described in Subsection [32B-8a-201\(3\)](#);

3134 (iv) determine that the transferee is not disqualified under Section [32B-1-304](#);

3135 (v) consider the locality within which the proposed licensed premises is located,

3136 including:

3137 (A) the factors listed in Section [32B-5-203](#) for the issuance of a retail license;

3138 (B) the factors listed in Section [32B-7-404](#) for the issuance of an off-premise beer

3139 retailer state license;

3140 (C) the factors listed in Section [32B-11-206](#) for the issuance of a manufacturing

3141 license; and

3142 (D) the factors listed in Section [32B-10-204](#) for the issuance of a special use permit

3143 that is an industrial and manufacturing use permit;

3144 (vi) consider the transferee's ability to manage and operate the retail license to be

3145 transferred, including:

3146 (A) the factors listed in Section [32B-5-203](#) for the issuance of a retail license;

3147 (B) the factors listed in Section [32B-7-404](#) for the issuance of an off-premise beer

3148 retailer state license;

3149 (C) the factors listed in Section [32B-11-206](#) for the issuance of a manufacturing

3150 license; and

3151 (D) the factors listed in Section [32B-10-204](#) for the issuance of a special use permit

3152 that is an industrial and manufacturing use permit;

3153 (vii) consider the nature or type of [retail] alcohol licensee operation of the transferee,

3154 including:

3155 (A) the factors listed in Section [32B-5-203](#) for the issuance of a retail license;

3156 (B) the factors listed in Section [32B-7-404](#) for the issuance of an off-premise beer

3157 retailer state license;

3158 (C) the factors listed in Section [32B-11-206](#) for the issuance of a manufacturing  
3159 license; and

3160 (D) the factors listed in Section [32B-10-204](#) for the issuance of a special use permit  
3161 that is an industrial and manufacturing use permit;

3162 (viii) if the transfer involves consideration, determine that the transferee and transferor  
3163 have complied with Part 4, Protection of Creditors; and

3164 (ix) consider any other factor the commission considers necessary.

3165 (4) Except as otherwise provided in Section [32B-1-202](#), the commission may not  
3166 approve the transfer of [~~a retail~~] an alcohol license to premises that do not meet the proximity  
3167 requirements of Subsection [32B-1-202\(2\)](#), [Section 32B-7-201](#), or [Section 32B-11-210](#), as  
3168 applicable.

3169 Section 46. Section **32B-8a-303** is amended to read:

3170 **32B-8a-303. Transfer fees.**

3171 (1) Except as otherwise provided in this section, the department shall charge the  
3172 following transfer fees:

3173 (a) for a transfer of [~~a retail~~] an alcohol license from [~~a retail~~] an alcohol licensee to  
3174 another person, the transfer fee equals the initial license fee amount specified in the relevant  
3175 chapter or part [~~under Chapter 6, Specific Retail License Act,~~] for the type of [~~retail~~] alcohol  
3176 license that is being transferred;

3177 (b) for the transfer of [~~a retail~~] an alcohol license from one premises to another  
3178 premises of the same [~~retail~~] alcohol licensee, the transfer fee equals the renewal fee amount  
3179 specified in the relevant chapter or part [~~under Chapter 6, Specific Retail License Act,~~] for the  
3180 type of [~~retail~~] alcohol license that is being transferred;

3181 (c) subject to Subsections (1)(d) and (2), for a transfer described in Section  
3182 [32B-8a-202](#), the transfer fee equals the renewal fee amount specified in the relevant chapter or  
3183 part [~~under Chapter 6, Specific Retail License Act,~~] for the type of [~~retail~~] alcohol license that  
3184 is being transferred;

3185 (d) for a transfer of [~~a retail~~] an alcohol license to include the parent or adult child of [~~a~~  
3186 ~~retail~~] an alcohol licensee, when no consideration is given for the transfer, the transfer fee is  
3187 one-half of the amount described in Subsection (1)(a); and

- 3188 (e) for one of the following transfers, the transfer fee is one-half of the amount  
3189 described in Subsection (1)(a):
- 3190 (i) [~~a retail~~] an alcohol license of one spouse to the other spouse when the transfer  
3191 application is made before the entry of a final decree of divorce;
- 3192 (ii) [~~a retail~~] an alcohol license of a deceased [~~retail~~] alcohol licensee to:
- 3193 (A) the one or more surviving partners of the deceased [~~retail~~] alcohol licensee;
- 3194 (B) the executor, administrator, or conservator of the estate of the deceased [~~retail~~]  
3195 alcohol licensee; or
- 3196 (C) the surviving spouse of the deceased [~~retail~~] alcohol licensee, if the deceased  
3197 [~~retail~~] alcohol licensee leaves no estate to be administered;
- 3198 (iii) [~~a retail~~] an alcohol license of an incompetent person or conservatee by or to the  
3199 conservator or guardian for the incompetent person or conservatee who is the [~~retail~~] alcohol  
3200 licensee;
- 3201 (iv) [~~a retail~~] an alcohol license of a debtor in a bankruptcy case by or to the trustee of a  
3202 bankrupt estate of the [~~retail~~] alcohol licensee;
- 3203 (v) [~~a retail~~] an alcohol license of a person for whose estate a receiver is appointed may  
3204 be transferred by or to a receiver of the estate of the [~~retail~~] alcohol licensee;
- 3205 (vi) [~~a retail~~] an alcohol license of an assignor for the benefit of creditors by or to an  
3206 assignee for the benefit of creditors of a licensee with the consent of the assignor;
- 3207 (vii) [~~a retail~~] an alcohol license transferred to a revocable living trust if the [~~retail~~]  
3208 alcohol licensee is the trustee of the revocable living trust;
- 3209 (viii) [~~a retail~~] an alcohol license transferred between partners when no new partner is  
3210 being licensed;
- 3211 (ix) [~~a retail~~] an alcohol license transferred between corporations whose outstanding  
3212 shares of stock are owned by the same individuals;
- 3213 (x) upon compliance with Section 32B-8a-202, [~~a retail~~] an alcohol license to a  
3214 corporation whose entire stock is owned by:
- 3215 (A) the transferor; or
- 3216 (B) the spouse of the transferor;
- 3217 (xi) upon compliance with Section 32B-8a-202, [~~a retail~~] an alcohol license to a limited  
3218 liability company whose entire membership consists of:



- 3219 (A) the transferor; or  
3220 (B) the spouse of the transferor; or  
3221 (xii) [~~a retail~~] an alcohol license transferred from a corporation to a person who owns,  
3222 or whose spouse owns, the entire stock of the corporation.
- 3223 (2) If there are multiple and simultaneous transfers of [~~retail~~] alcohol licenses under  
3224 Section 32B-8a-202, a transfer fee described in Subsection (1)(c) is required for only one of the  
3225 [~~retail~~] alcohol licenses being transferred.
- 3226 (3) (a) Except as provided in Subsection (3)(b), a transfer fee required under  
3227 Subsection (1) is due for a transfer subsequent to a transfer under Subsection (1)(e)(xii) if the  
3228 subsequent transfer is of 51% of the stock in a corporation to which [~~a retail~~] an alcohol license  
3229 is transferred by [~~a retail~~] an alcohol licensee or the spouse of [~~a retail~~] an alcohol licensee.
- 3230 (b) If the transfer of stock described in Subsection (3)(a) is from a parent to the parent's  
3231 adult child or adult grandchild, the transfer fee is one-half of the amount described in  
3232 Subsection (1)(a).
- 3233 (4) Money collected from a transfer fee shall be deposited in the Liquor Control Fund.  
3234 Section 47. Section 32B-8a-401 is amended to read:
- 3235 **32B-8a-401. Notification of creditors -- Escrow -- Priority of payments.**
- 3236 (1) Before the filing of a transfer application with the department, if the intended  
3237 transfer of [~~a retail~~] an alcohol license involves consideration:
- 3238 (a) the transferor shall provide the transferee a list of creditors who have a claim  
3239 against the transferor;
- 3240 (b) the transferee shall notify each creditor on the list provided under Subsection (1)(a)  
3241 of the intended transfer;
- 3242 (c) the transferor and the transferee shall establish an escrow with a person who is not a  
3243 party to the transfer to act as escrow holder;
- 3244 (d) the transferee shall deposit with the escrow holder the full amount of the  
3245 consideration; and
- 3246 (e) the transferor and transferee shall enter into an agreement that:
- 3247 (i) the consideration is deposited with the escrow holder;
- 3248 (ii) requires the escrow holder to distribute the consideration within a reasonable time  
3249 after the completion of the transfer of the [~~retail~~] alcohol license; and

3250 (iii) directs the escrow holder to distribute the consideration in accordance with  
3251 Subsection (2).

3252 (2) Subject to the other requirements of this section, if a creditor with a claim against  
3253 the transferor files the claim with the escrow holder before the escrow holder is notified by the  
3254 department that the transfer is approved, the escrow holder shall distribute the consideration in  
3255 the following order:

3256 (a) to the payment of:

3257 (i) the United States for a claim based on income or withholding taxes; and

3258 (ii) a claim based on a tax other than specified in Subsection 32B-8a-201(3);

3259 (b) to the payment of a claim for wages, salaries, or fringe benefits earned or accrued  
3260 by an employee of the transferor before the transfer or opening of the escrow for the transfer of  
3261 the [retail] alcohol license;

3262 (c) to the payment of a claim of a secured creditor to the extent of the proceeds that  
3263 arise from the sale of the security;

3264 (d) to the payment of a claim on a mechanics lien;

3265 (e) to the payment of:

3266 (i) escrow fees;

3267 (ii) a claim for prevailing brokerage fees for services rendered; and

3268 (iii) a claim for reasonable attorney fees for services rendered;

3269 (f) to the payment of claims:

3270 (i) of a landlord, to the extent of proceeds on past due rent or lease requirements;

3271 (ii) for goods sold and delivered to the [retail] alcohol licensee for resale at the  
3272 transferor's licensed premises; and

3273 (iii) for services rendered, performed, or supplied in connection with the operation of  
3274 the transferor's licensed business;

3275 (g) to the payment of other types of claims that are reduced to court-ordered judgments,  
3276 including a claim for court-ordered support of a minor child; and

3277 (h) to the payment of all other claims.

3278 Section 48. Section 32B-8a-402 is amended to read:

3279 **32B-8a-402. Duties of escrow holder.**

3280 (1) To act as an escrow holder under Section 32B-8a-401, a person shall comply with

3281 Title 7, Chapter 22, Regulation of Independent Escrow Agents.

3282 (2) Not more than 10 days after [~~receiving~~] the day on which the escrow holder  
3283 receives a claim from a creditor, an escrow holder shall acknowledge receipt of the claim.

3284 (3) (a) Not more than 10 days after [~~a retail~~] the day on which an alcohol license is  
3285 transferred and before the distribution of the consideration held by an escrow holder, the  
3286 escrow holder shall advise each creditor who files a claim against the escrow whether there is  
3287 sufficient consideration in the escrow to pay all creditors in full.

3288 (b) If the consideration in an escrow is sufficient to pay all creditors in full, the escrow  
3289 holder shall advise each creditor of the date on or before which payment will be made.

3290 (c) If there are not sufficient assets to pay all creditors in full, the escrow holder shall  
3291 advise each creditor who filed a claim of the following:

3292 (i) the total assets placed in escrow with the escrow holder;

3293 (ii) the nature of each asset;

3294 (iii) the name of each creditor who filed a claim against the escrow and the amount of  
3295 the claim;

3296 (iv) the amount the escrow holder proposes to pay each creditor; and

3297 (v) the date on or before which the escrow holder will pay each creditor.

3298 (4) An escrow holder may not release money in the escrow in exchange for:

3299 (a) a promissory note; or

3300 (b) any other consideration of less value to the creditors than the money exchanged.

3301 (5) If sufficient assets are not available in the escrow for the payment of the claims in  
3302 full, the escrow holder shall pay the claims pro rata.

3303 (6) If the [~~retail~~] alcohol licensee who transfers the [~~retail~~] alcohol license disputes a  
3304 claim, the escrow holder shall:

3305 (a) notify the creditor making the claim;

3306 (b) retain the amount to be paid to the creditor under this section for a period of 25  
3307 days; and

3308 (c) to the extent that creditors do not successfully recover the amount described in  
3309 Subsection (6)(b) in accordance with this part, pay the amount to the [~~retail~~] alcohol licensee.

3310 (7) An escrow holder shall distribute the money in the escrow account after the  
3311 payments made under Subsections 32B-8a-401(2) and this section within a reasonable time

3312 after the completion of the transfer of the [~~retail~~] alcohol license.

3313 Section 49. Section **32B-8a-404** is amended to read:

3314 **32B-8a-404. When escrow not required.**

3315 (1) Notwithstanding the other provisions of this part, an escrow is not required to be  
3316 established in connection with the transfer of [~~a retail~~] an alcohol license if:

3317 (a) a business entity files with the department a guaranty of full, prompt, and faithful  
3318 payment of all claims of a creditor of the [~~retail~~] alcohol licensee; and

3319 (b) the guaranty described in Subsection (1)(a) is accepted in writing by the creditors  
3320 listed in Subsection **32B-8a-401**(2).

3321 (2) A transfer of [~~a retail~~] an alcohol license described in Subsection (1) is not  
3322 considered complete until:

3323 (a) the guarantor pays all creditors' claims in full; and

3324 (b) the guarantor files with the department a statement executed under penalty of  
3325 perjury that all conditions of the transfer have been satisfied.

3326 (3) Payment of a claim by a guarantor shall be made in United States currency or by  
3327 certified check in a manner acceptable to the creditors.

3328 (4) This section applies only in the case of a transfer in which the guarantor business  
3329 entity has a net worth on a consolidated basis, according to [~~its~~] the guarantor business entity's  
3330 most recent audited financial statement, of not less than \$5,000,000.

3331 Section 50. Section **32B-8a-501** is amended to read:

3332 **32B-8a-501. License not to be pledged as security -- Prohibited transfers.**

3333 (1) [~~A retail~~] An alcohol licensee may not enter into any agreement under which the  
3334 [~~retail~~] alcohol licensee pledges the [~~retail~~] alcohol license as security for a loan or as security  
3335 for the fulfillment of any agreement.

3336 (2) [~~A retail~~] An alcohol licensee may not transfer [~~a retail~~] an alcohol license if the  
3337 transfer is to:

3338 (a) satisfy a loan or to fulfill an agreement entered into more than 90 days [~~preceding~~  
3339 ~~the date~~] before the day on which the transfer application is filed;

3340 (b) gain or establish a preference to or for any creditor of the transferor, except as  
3341 provided by Section **32B-8a-202**; or

3342 (c) defraud or injure a creditor of the transferor.

3343           (3) An alcohol licensee may not transfer a bar establishment license in a manner that  
3344 circumvents the limitations of Subsection 32B-8d-103(3)(b) or (c).

3345           ~~[(3)]~~ (4) ~~[A retail]~~ An alcohol licensee may not transfer ~~[a retail]~~ an alcohol license  
3346 except in accordance with this chapter.

3347           Section 51. Section **32B-8a-502** is amended to read:

3348           **32B-8a-502. Effect of transfer in violation of this chapter.**

3349           (1) If ~~[a retail]~~ an alcohol license is transferred in violation of this chapter, the  
3350 commission may:

3351           (a) void the transfer; and

3352           (b) require the ~~[retail]~~ alcohol license to be forfeited.

3353           (2) Subsection (1) is in addition to any other penalty under this title that is applicable to  
3354 the person who violates this chapter.

3355           Section 52. Section **32B-8b-102** is amended to read:

3356           **32B-8b-102. Definitions.**

3357           As used in this chapter:

3358           (1) "Boundary of a hotel" means the physical boundary of one or more contiguous  
3359 parcels of real ~~[estate]~~ property owned or managed by the same person and on which a hotel is  
3360 located.

3361           (2) "Hotel" means one or more buildings that:

3362           (a) comprise a hotel, as defined by the commission;

3363           (b) are owned or managed by the same person or by a person who has a majority  
3364 interest in or can direct or exercise control over the management or policy of the person who  
3365 owns or manages any other building under the hotel license within the boundary of the hotel;

3366           (c) primarily operate to provide lodging accommodations;

3367           (d) provide room service within the boundary of the hotel meeting the requirements of  
3368 this title;

3369           (e) have on-premise banquet space and provide on-premise banquet service within the  
3370 boundary of the hotel meeting the requirements of this title;

3371           (f) have a restaurant or bar establishment within the boundary of the hotel meeting the  
3372 requirements of this title; and

3373           (g) have at least 40 ~~[guest rooms]~~ rooms as temporary sleeping accommodations for

3374 compensation.

3375 [~~(3) "Provisions applicable to a sublicense" means:~~]

3376 [~~(a) for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant~~  
3377 ~~License;~~]

3378 [~~(b) for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service~~  
3379 ~~Restaurant License;~~]

3380 [~~(c) for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;~~]

3381 [~~(d) for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet~~  
3382 ~~License;~~]

3383 [~~(e) for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer~~  
3384 ~~Retailer License; and]~~

3385 [~~(f) for a beer-only restaurant sublicense, Chapter 6, Part 9, Beer-Only Restaurant~~  
3386 ~~License.~~]

3387 [~~(4) "Sublicense" means:~~]

3388 [~~(a) a full-service restaurant sublicense;~~]

3389 [~~(b) a limited-service restaurant sublicense;~~]

3390 [~~(c) a bar establishment sublicense;~~]

3391 [~~(d) an on-premise banquet sublicense;~~]

3392 [~~(e) an on-premise beer retailer sublicense; and]~~

3393 [~~(f) a beer-only restaurant sublicense.~~]

3394 [~~(5) "Sublicense premises" means a building, enclosure, or room used pursuant to a~~  
3395 ~~sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic~~  
3396 ~~product, unless otherwise defined in this title or in the rules made by the commission.]~~

3397 Section 53. Section **32B-8b-201** is amended to read:

3398 **32B-8b-201. Commission's power to issue a hotel license.**

3399 (1) Before a person as a hotel under a single license may store, sell, offer for sale,  
3400 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person  
3401 shall first obtain a hotel license from the commission in accordance with this part.

3402 (2) (a) The commission may issue to a person a hotel license to allow the storage, sale,  
3403 offer for sale, furnishing, and consumption of an alcoholic product in connection with a hotel  
3404 designated in the hotel license if the person operates at least three sublicenses under the hotel

3405 license;

3406 (i) one of which is an on-premise banquet license; and

3407 (ii) one of which is [~~a sublicense for a restaurant or bar establishment.~~];

3408 (A) a full-service restaurant sublicense;

3409 (B) a limited-service restaurant sublicense;

3410 (C) a beer-only restaurant sublicense; or

3411 (D) a bar establishment sublicense.

3412 (b) A hotel license shall:

3413 (i) consist of:

3414 (A) a general hotel license; and

3415 (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

3416 (ii) designate the boundary of the hotel and sublicenses.

3417 (c) This chapter does not prohibit an alcoholic product on the boundary of the hotel to  
3418 the extent otherwise permitted by this title.

3419 [~~(d) The commission may not issue a sublicense that is separate from a hotel license.]~~

3420 (3) [(a)] The commission may not issue a total number of hotel licenses that at any time  
3421 totals more than 80.

3422 [~~(b) Subject to Subsection (3)(c), when determining the total number of licenses the  
3423 commission has issued for each type of retail license, the commission may not include a  
3424 sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.]~~

3425 [~~(c) If a hotel license issued under this chapter includes a bar establishment sublicense  
3426 that before the issuance of the hotel license was a bar establishment license, the commission  
3427 shall include the bar establishment sublicense as one of the bar establishment licenses in  
3428 determining if the total number of licenses issued under the provisions applicable to the bar  
3429 establishment license exceeds the number calculated by dividing the population of the state by  
3430 the number specified in the provisions applicable to the bar establishment license.]~~

3431 [~~(d) A person may not transfer a bar establishment license under Chapter 8a, Transfer  
3432 of Retail License Act, in a manner that circumvents the limitations of Subsection (3)(c).]~~

3433 Section 54. Section **32B-8b-202** is amended to read:

3434 **32B-8b-202. Specific licensing requirements for hotel license.**

3435 (1) To obtain a hotel license, in addition to complying with Chapter 5, Part 2, Retail

3436 Licensing Process, a person shall submit with the person's written application:  
3437 ~~[(a) the current business license for each sublicense, if the business license is separate~~  
3438 ~~from the person's business license;]~~  
3439 ~~[(b)] (a) evidence:~~  
3440 ~~(i) of proximity of each building under the hotel license to any community location[;~~  
3441 ~~with proximity requirements being governed by Section 32B-1-202];~~  
3442 ~~(ii) that each [of the three or more sublicense] proposed sublicensed premises is~~  
3443 ~~entirely within the boundary of the hotel; and~~  
3444 ~~(iii) that [a] each building designated in the application as a building under the hotel~~  
3445 ~~license qualifies to be under the hotel license; and~~  
3446 ~~[(e)] (b) a description and boundary map of the hotel[;].~~  
3447 ~~[(d) a description, floor plan, and boundary map of each sublicense premises~~  
3448 ~~designating:]~~  
3449 ~~[(i) any location at which the person proposes that an alcoholic product be stored; and]~~  
3450 ~~[(ii) a designated location on the sublicense premises from which the person proposes~~  
3451 ~~that an alcoholic product be sold, furnished, or consumed;]~~  
3452 ~~[(e) evidence that the hotel licensee carries dramshop insurance coverage equal to the~~  
3453 ~~sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both the~~  
3454 ~~general hotel license and each sublicense; and]~~  
3455 ~~[(f) a signed consent form stating that the person will permit any authorized~~  
3456 ~~representative of the commission or department, or any law enforcement officer, to have~~  
3457 ~~unrestricted right to enter the boundary of the hotel and each sublicense premises.]~~  
3458 (2) (a) A hotel license expires on October 31 of each year.  
3459 (b) To renew a person's hotel license, the person shall comply with the requirements of  
3460 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.  
3461 (3) (a) The nonrefundable application fee for a hotel license is \$500.  
3462 (b) The initial license fee for a hotel license is calculated as follows:  
3463 (i) ~~[\$5,000]~~ if three sublicenses are being applied for under the hotel license, \$5,000; or  
3464 (ii) if more than three sublicenses are being applied for under the hotel license, the sum  
3465 of:  
3466 (A) \$5,000; and



3467 (B) \$2,000 for each sublicense in excess of three sublicenses for which the person is  
3468 applying.

3469 (c) The renewal fee for a hotel license is \$1,000 for each sublicense under the hotel  
3470 license.

3471 (4) (a) The bond amount required for a hotel license is the penal sum of \$10,000.

3472 (b) A hotel licensee is not required to have a separate bond for each sublicense, except  
3473 that the aggregate of the bonds posted by the hotel licensee shall cover each sublicense under  
3474 the hotel license.

3475 (5) The commission may not issue a hotel license that includes a building under the  
3476 hotel license that does not meet the proximity requirements of Section [32B-1-202](#).

3477 (6) In accordance with Subsection [32B-8d-103\(4\)](#), a hotel licensee may request to add a  
3478 sublicense after the commission issues the hotel licensee's hotel license.

3479 Section 55. Section **32B-8b-301** is amended to read:

3480 **32B-8b-301. Specific operational requirements for hotel license.**

3481 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
3482 Requirements, a hotel licensee, staff of the hotel licensee, and a sublicensee or person  
3483 otherwise operating under a sublicense shall comply with this section.

3484 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
3485 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3486 (i) [~~a~~] the hotel licensee;

3487 (ii) individual staff of [~~a~~] the hotel licensee;

3488 (iii) a sublicensee or person otherwise operating under a sublicense of the hotel  
3489 licensee;

3490 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense  
3491 of the hotel licensee; or

3492 (v) any combination of the persons listed in this Subsection (1)(b).

3493 (2) (a) A hotel licensee may not sell, offer for sale, or furnish an alcoholic product  
3494 except:

3495 (i) on [~~a-sublicense~~] sublicensed premises;

3496 (ii) pursuant to a permit issued under this title; or

3497 (iii) under a package agency agreement with the department, subject to Chapter 2, Part

3498 6, Package Agency.

3499 (b) A hotel licensee who sells, offers for sale, or furnishes an alcoholic product as  
3500 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3501 (i) [~~except as provided in Section 32B-8b-302;~~] if on [~~a sublicense~~] sublicensed  
3502 premises, in accordance with the operational requirements [~~under the provisions applicable to~~  
3503 ~~the sublicense~~] described in Section 32B-8d-104;

3504 (ii) if under a permit issued under this title, in accordance with the operational  
3505 requirements under the provisions applicable to the permit; and

3506 (iii) if as a package agency, in accordance with the contract with the department and  
3507 Chapter 2, Part 6, Package Agency.

3508 (c) Notwithstanding the other provisions of this Subsection (2), a hotel licensee may  
3509 not permit a patron to carry an alcoholic product off the premises of a sublicense in violation of  
3510 Section 32B-5-307 or off an area designated under a permit.

3511 [~~(3) A hotel licensee shall comply with Subsections 32B-5-301(4) and (5) within the~~  
3512 ~~boundary of the hotel.~~]

3513 [~~(4)~~] (3) A hotel licensee shall supervise and direct a person involved in the sale, offer  
3514 for sale, or furnishing of an alcoholic product under a hotel license.

3515 [~~(5)~~] (4) (a) Room service of an alcoholic product to a lodging accommodation of a  
3516 hotel licensee shall be provided in person by staff of [~~a~~] the hotel licensee only to an adult  
3517 occupant in the lodging accommodation.

3518 (b) An alcoholic product may not be left outside a lodging accommodation for retrieval  
3519 by an occupant.

3520 [~~(6)~~] (7) A hotel licensee shall operate in a manner so that at least 70% of the annual  
3521 aggregate of the gross receipts related to the sale of food or beverages for the hotel license and  
3522 each of the hotel license's sublicenses is from the sale of food, not including:

3523 (a) mix for an alcoholic product; and

3524 (b) a charge in connection with the service of an alcoholic product.

3525 Section 56. Section 32B-8b-401 is amended to read:

3526 **32B-8b-401. Enforcement of operational requirements for hotel license or**  
3527 **sublicense.**

3528 [~~(1)(a)~~] (1) Failure by a person described in Subsection [~~(1)(b)~~] (2) to comply with this

3529 chapter or ~~[an operational requirement under a provision applicable to a sublicense]~~ Chapter  
 3530 8d, Sublicense Act, may result in disciplinary action in accordance with Chapter 3, Disciplinary  
 3531 Actions and Enforcement Act, against:

3532 ~~[(i)]~~ (a) ~~[a]~~ the hotel licensee;

3533 ~~[(ii)]~~ (b) individual staff of ~~[a]~~ the hotel licensee;

3534 ~~[(iii)]~~ (c) a sublicensee or person otherwise operating under a sublicense of the hotel  
 3535 licensee;

3536 ~~[(iv)]~~ (d) individual staff of a sublicensee or person otherwise operating under a  
 3537 sublicense of the hotel licensee; or

3538 ~~[(v)]~~ (e) any combination of the persons listed in this Subsection (1)~~[(a)]~~.

3539 ~~[(b)]~~ (2) ~~[This]~~ Subsection (1) applies to:

3540 ~~[(i)]~~ (a) a hotel licensee;

3541 ~~[(ii)]~~ (b) a sublicensee or person operating under a sublicense of a hotel licensee; or

3542 ~~[(iii)]~~ (c) staff of a hotel licensee or sublicensee or other person operating under a  
 3543 sublicense of a hotel licensee.

3544 ~~[(2) An operational requirement applicable to a person operating under a sublicense is~~  
 3545 ~~enforced as provided by the provisions applicable to the sublicense.]~~

3546 Section 57. Section **32B-8c-101** is enacted to read:

3547 **CHAPTER 8c. ARENA LICENSE ACT**

3548 **32B-8c-101. Title.**

3549 This chapter is known as the "Arena License Act."

3550 Section 58. Section **32B-8c-102** is enacted to read:

3551 **32B-8c-102. Definitions.**

3552 Reserved

3553 Section 59. Section **32B-8c-201** is enacted to read:

3554 **32B-8c-201. Commission's power to issue an arena license.**

3555 (1) Before a person as an arena under a single license may store, sell, offer for sale,  
 3556 furnish, or allow the consumption of an alcoholic product on sublicensed premises, the person  
 3557 shall first obtain an arena license from the commission in accordance with this part.

3558 (2) (a) Beginning November 1, 2020, the commission may issue to a person an arena  
 3559 license to allow the storage, sale, offer for sale, furnishing, and consumption of an alcoholic

3560 product in connection with the arena designated in the arena license, if the person operates at  
3561 least three sublicenses under the arena license, including:

3562 (i) one of which is an on-premise banquet sublicense;

3563 (ii) one of which is:

3564 (A) a full-service restaurant sublicense;

3565 (B) a limited-service restaurant sublicense;

3566 (C) a beer-only restaurant sublicense; or

3567 (D) a bar establishment sublicense; and

3568 (iii) one of which is an on-premise beer retailer sublicense that is not a tavern.

3569 (b) An arena license shall:

3570 (i) consist of:

3571 (A) a general arena license; and

3572 (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

3573 (ii) designate the enclosed building that is the arena.

3574 (c) This chapter does not prohibit an alcoholic product in an arena to the extent

3575 otherwise permitted by this title.

3576 (3) The commission may not issue a total number of arena licenses that at any time  
3577 totals more than 10.

3578 Section 60. Section **32B-8c-202** is enacted to read:

3579 **32B-8c-202. Specific licensing requirements for arena license.**

3580 (1) To obtain an arena license, in addition to complying with Chapter 5, Part 2, Retail  
3581 Licensing Process, a person shall submit with the person's written application:

3582 (a) evidence:

3583 (i) of proximity of the arena to any community location;

3584 (ii) that each proposed sublicense premises is entirely within the arena; and

3585 (iii) that the building designated in the application as the arena qualifies as an arena;

3586 and

3587 (b) a description and map of the arena.

3588 (2) (a) An arena license expires on October 31 of each year.

3589 (b) To renew a person's arena license, the person shall comply with the requirements of

3590 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

- 3591 (3) (a) The nonrefundable application fee for an arena license is \$500.
- 3592 (b) The initial license fee for an arena license is calculated as follows:
- 3593 (i) if the person applies for three sublicenses under the arena license, \$5,000; or
- 3594 (ii) if the person applies for more than three sublicenses under the arena license, the
- 3595 sum of:
- 3596 (A) \$5,000; and
- 3597 (B) \$1,000 for each sublicense in excess of three sublicenses for which the person
- 3598 applies.
- 3599 (c) The renewal fee for an arena license is \$1,000 plus \$1,000 for each sublicense
- 3600 under the arena license.
- 3601 (4) (a) The bond amount required for an arena license is the penal sum of \$100,000.
- 3602 (b) An arena licensee is not required to have a separate bond for each sublicense,
- 3603 except that the aggregate of the bonds posted by the arena licensee shall cover each sublicense
- 3604 under the arena license.
- 3605 (5) In accordance with Subsection [32B-8d-103\(4\)](#), an arena may request to add a
- 3606 sublicense after the commission issues the arena licensee's arena license.
- 3607 Section 61. Section **32B-8c-301** is enacted to read:
- 3608 **32B-8c-301. Specific operational requirements for arena license.**
- 3609 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensing Operational
- 3610 Requirements, an arena licensee, staff of the arena licensee, and a sublicensee or person
- 3611 otherwise operating under a sublicense shall comply with this section.
- 3612 (b) Failure to comply as provided in Subjection (1)(a) may result in disciplinary action
- 3613 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
- 3614 (i) the arena licensee;
- 3615 (ii) individual staff of the arena licensee;
- 3616 (iii) a sublicensee or person otherwise operating under a sublicense of the arena
- 3617 licensee;
- 3618 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense;
- 3619 or
- 3620 (v) any combination of the persons listed in Subsections (1)(b)(i) through (iv).
- 3621 (2) (a) An arena licensee may not sell, offer for sale, or furnish an alcoholic product

3622 except:

3623 (i) on sublicensed premises;

3624 (ii) pursuant to a permit issued under this title; or

3625 (iii) under a package agency agreement with the department, subject to Chapter 2, Part  
3626 6, Package Agency.

3627 (b) An arena licensee who sells, offers for sale, or furnishes an alcoholic product as  
3628 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3629 (i) if on sublicensed premises, in accordance with the operational requirements  
3630 described in Section 32B-8d-104;

3631 (ii) if under a permit issued under this title, in accordance with the operational  
3632 requirements under the provisions applicable to the permit; and

3633 (iii) if as a package agency, in accordance with the contract with the department and  
3634 Chapter 2, Part 6, Package Agency.

3635 (3) An arena licensee shall operate in a manner so that at least 70% of the annual  
3636 aggregate of the gross receipts related to the sale of food and beverages for the arena license  
3637 and each of the arena license's sublicenses is from the sale of food, not including:

3638 (a) mix for an alcoholic product; and

3639 (b) a charge in connection with the service of an alcoholic product.

3640 (4) An arena licensee shall, directly or indirectly, supervise and direct a person  
3641 involved in the sale, offer for sale, or furnishing of an alcoholic product under an arena license.

3642 Section 62. Section **32B-8c-401** is enacted to read:

3643 **32B-8c-401. Enforcement.**

3644 (1) Failure by a person described in Subsection (2) to comply with this chapter or  
3645 Chapter 8d, Sublicense Act, may result in disciplinary action in accordance with Chapter 3,  
3646 Disciplinary Actions and Enforcement Act, against:

3647 (a) the arena licensee;

3648 (b) individual staff of the arena licensee;

3649 (c) a sublicensee or a person otherwise operating under a sublicense of the arena  
3650 licensee;

3651 (d) individual staff of a sublicensee or person otherwise operating under a sublicense of  
3652 the arena licensee; or

- 3653 (e) any combination of the persons listed in Subsections (1)(a) through (d).
- 3654 (2) Subsection (1) applies to:
- 3655 (a) an arena licensee;
- 3656 (b) a sublicensee or person operating under a sublicense of an arena licensee;
- 3657 (c) staff of an arena licensee or sublicensee or other person operating under a
- 3658 sublicense of the arena licensee.

3659 Section 63. Section **32B-8d-101** is enacted to read:

3660 **CHAPTER 8d. SUBLICENSE ACT**

3661 **32B-8d-101. Title.**

3662 This chapter is known as the "Sublicense Act."

3663 Section 64. Section **32B-8d-102** is enacted to read:

3664 **32B-8d-102. Definitions.**

3665 As used in this chapter:

- 3666 (1) "Resident" means the same as that term is defined in Section [32B-8-102](#).
- 3667 (2) "Resort building" means the same as that term is defined in Section [32B-8-102](#).
- 3668 (3) "Resort spa" means a spa:
- 3669 (a) as the commission defines by rule made in accordance with Title 63G, Chapter 3,

3670 Utah Administrative Rulemaking Act; and

- 3671 (b) that is within the boundary of a resort building.

3672 Section 65. Section **32B-8d-103** is enacted to read:

3673 **32B-8d-103. Commission's power to issue a sublicense.**

3674 (1) Before a person as a sublicensee may store, sell, offer for sale, furnish, or allow the  
 3675 consumption of an alcoholic product on sublicensed premises, the person shall first obtain a  
 3676 sublicense from the commission in accordance with:

- 3677 (a) this chapter;
- 3678 (b) Chapter 8, Resort License Act;
- 3679 (c) Chapter 8b, Hotel License Act; and
- 3680 (d) Chapter 8c, Arena License Act.

3681 (2) (a) The commission may issue to a person a sublicense to allow the storage, sale,  
 3682 offering for sale, furnishing, or consumption of an alcoholic product on the premises of the  
 3683 sublicense, if the person is:

3684 (i) a principal licensee; or  
3685 (ii) a person seeking a principal license, contingent on the issuance of the principal  
3686 license.

3687 (b) The commission may not:  
3688 (i) issue a sublicense that is separate from a principal license; or  
3689 (ii) issue a single sublicense that covers more than one outlet in or on the boundaries of  
3690 the principal licensee.

3691 (3) (a) Subject to Subsections (3)(b) and (c), when determining the total number of  
3692 licenses the commission has issued for each type of retail license, the commission may not  
3693 include a sublicense as one of the retail licenses issued under the provisions applicable to that  
3694 sublicense.

3695 (b) If a principal license includes a bar establishment sublicense that before the  
3696 issuance of the principal license was a bar establishment license, the commission shall include  
3697 the bar establishment sublicense as a bar establishment license in calculating the total number  
3698 of licenses issued under the provisions applicable to a bar establishment license.

3699 (c) If a resort license includes a sublicense that before the issuance of the resort license  
3700 was a retail license, the commission shall include the sublicense as a license in calculating the  
3701 total number of licenses issued under the provisions applicable to the sublicense.

3702 (4) If a principal licensee seeks to add a sublicense after the commission issues the  
3703 person's principal license, the principal licensee shall file with the department:

3704 (a) a nonrefundable \$300 application fee;  
3705 (b) an initial license fee of \$2,250, which the commission shall refund if the  
3706 commission does not issue the proposed sublicense;

3707 (c) written consent of the local authority;  
3708 (d) a copy of:  
3709 (i) the principal licensee's current business; and  
3710 (ii) the proposed sublicensee's current business license, if the relevant political  
3711 subdivision determines that the proposed sublicensee's business license is separate from the  
3712 principal licensee's business license;

3713 (e) evidence that the proposed sublicensed premises is entirely within the boundary of  
3714 the principal license;



3715 (f) a description, floor plan, and boundary map of the proposed sublicensed premises  
3716 designating:

3717 (i) each location at which the principal licensee proposes that an alcoholic product be  
3718 stored; and

3719 (ii) each location from which the principal licensee proposes that an alcoholic product  
3720 be sold, furnished, or consumed;

3721 (g) evidence that the principal licensee carries:

3722 (i) public liability insurance in an amount and form satisfactory to the department; and

3723 (ii) dramshop insurance coverage in the amount required by Section [32B-5-201](#) that  
3724 covers the proposed sublicense;

3725 (h) a signed consent form stating that the principal licensee will permit any authorized  
3726 representative of the commission or department, or any law enforcement officer, to have an  
3727 unrestricted right to enter the proposed sublicensed premises;

3728 (i) if the principal licensee is an entity, proper verification evidencing that a person  
3729 who signs the application is authorized to sign on behalf of the entity; and

3730 (j) any other information the commission or department may require.

3731 Section 66. Section **32B-8d-104** is enacted to read:

3732 **32B-8d-104. General operational requirements for a sublicense.**

3733 (1) Except as provided in Subsections (2) and (3), a person operating under a  
3734 sublicense is subject to the operational requirements under the provisions applicable to the  
3735 sublicense.

3736 (2) Notwithstanding a requirement in the provisions applicable to the sublicense, a  
3737 person operating under the sublicense is not subject to a requirement that a certain percentage  
3738 of the gross receipts for the sublicense be from the sale of food, except to the extent that the  
3739 gross receipts for the sublicense are included in calculating the percentages under Subsections  
3740 [32B-8-401\(3\)](#), [32B-8b-301\(7\)](#), and [32B-8c-301\(3\)](#).

3741 (3) Notwithstanding Sections [32B-6-202](#) and [32B-6-302](#), a bar structure in a  
3742 sublicensed premises operated under a full-service restaurant sublicense or a limited-service  
3743 restaurant sublicense is considered a grandfathered bar structure if the sublicense is a  
3744 sublicense to a resort license issued on or before December 31, 2010.

3745 (4) Except as provided in Section [32B-8-502](#), for purposes of interpreting an

3746 operational requirement imposed by the provisions applicable to a sublicense:

3747 (a) a requirement imposed on a sublicensee or person operating under a sublicense  
3748 applies to the principal licensee; and

3749 (b) a requirement imposed on staff of a sublicensee or person operating under a  
3750 sublicense applies to staff of the principal licensee.

3751 Section 67. Section **32B-8d-105** is enacted to read:

3752 **32B-8d-105. Enforcement of operational requirements.**

3753 (1) Except as provided in Subsection [32B-8-502\(2\)](#) and in addition to Subsection (2),  
3754 failure by a person to comply with this chapter or an operational requirement under a provision  
3755 applicable to a sublicense may result in disciplinary action in accordance with Chapter 3,  
3756 Disciplinary Actions and Enforcement Act, against:

3757 (a) a principal licensee;

3758 (b) individual staff of a principal licensee;

3759 (c) a sublicensee or person otherwise operating under a sublicense;

3760 (d) individual staff of a sublicensee or person otherwise operating under a sublicense;

3761 or

3762 (e) any combination of the persons listed in Subsections (1)(a) through (d).

3763 (2) An operational requirement applicable to a sublicensee or person operating under a  
3764 sublicense is enforced as provided by the provisions applicable to the sublicense.

3765 Section 68. Section **32B-8d-201** is enacted to read:

3766 **Part 2. Resort Spa Sublicense**

3767 **32B-8d-201. Title.**

3768 This part is known as "Resort Spa Sublicense."

3769 Section 69. Section **32B-8d-202**, which is renumbered from Section 32B-8-301 is  
3770 renumbered and amended to read:

3771 ~~[32B-8-301].~~ **32B-8d-202. Commission's power to issue resort spa**  
3772 **sublicense.**

3773 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of  
3774 an alcoholic product on ~~[its]~~ the person's premises as a resort spa sublicensee, a resort licensee  
3775 or a person applying for a resort license shall first obtain a resort spa sublicense from the  
3776 commission in accordance with this part.

3777 (2) The commission may only issue a resort spa sublicense to ~~[establish a resort spa~~  
 3778 ~~license within the boundary of a resort building for the storage, sale, offer for sale, furnishing,~~  
 3779 ~~and consumption of liquor on premises operated as a resort spa.]~~:

3780 (a) a resort licensee; or

3781 (b) a person applying for a resort license, contingent on the issuance of the resort  
 3782 license.

3783 (3) The resort spa sublicense premises shall fall entirely within the boundary of a resort  
 3784 building that is part of the resort to which the resort spa sublicense is connected.

3785 Section 70. Section **32B-8d-203**, which is renumbered from Section 32B-8-302 is  
 3786 renumbered and amended to read:

3787 ~~[32B-8-302].~~ **32B-8d-203. Specific licensing requirements for resort spa**  
 3788 **sublicense.**

3789 (1) (a) ~~[A]~~ In accordance with Subsection 32B-8d-103(2), a person may not file a  
 3790 written application with the department to obtain a resort spa sublicense that is separate from  
 3791 the application of the resort license, unless the person seeks the resort spa sublicense ~~[is being~~  
 3792 ~~sought]~~ after the ~~[issuing of]~~ commission issues the person a resort license.

3793 ~~[(2)]~~ (b) If a resort licensee seeks to add a resort spa sublicense after its resort license is  
 3794 issued, the resort licensee shall comply with Subsection ~~[32B-8-204(3)(b)]~~ 32B-8d-103(4).

3795 ~~[(3)]~~ (2) (a) A resort spa sublicense expires on October 31 of each year.

3796 (b) A resort licensee desiring to renew the resort licensee's resort spa sublicense shall  
 3797 renew the resort spa sublicense as part of renewing the resort license.

3798 (c) Failure to meet the renewal requirements for a resort license results in an automatic  
 3799 forfeiture of the resort spa sublicense effective on the date the resort license expires.

3800 Section 71. Section **32B-8d-204**, which is renumbered from Section 32B-8-303 is  
 3801 renumbered and amended to read:

3802 ~~[32B-8-303].~~ **32B-8d-204. Specific qualifications for resort spa sublicense.**

3803 (1) A person employed to act in a supervisory or managerial capacity for the resort spa  
 3804 sublicense is subject to qualification requirements of Section ~~[32B-8-203]~~ 32B-1-304 for  
 3805 licensees.

3806 (2) If a person no longer possesses the qualifications required by Section ~~[32B-8-203]~~  
 3807 32B-1-304 for obtaining the resort license or resort spa sublicense, the commission may

3808 suspend or revoke the resort spa sublicense that is part of the resort license.

3809 Section 72. Section **32B-8d-205**, which is renumbered from Section 32B-8-304 is  
3810 renumbered and amended to read:

3811 ~~[32B-8-304].~~ **32B-8d-205.** **Specific operational requirements for resort spa**  
3812 **sublicense.**

3813 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
3814 Requirements, a resort licensee[;] and staff of the resort licensee[, ~~or a person otherwise related~~  
3815 ~~to a resort spa sublicense~~] shall comply with this section.

3816 (b) A resort spa sublicensee or a person otherwise operating under a resort spa  
3817 sublicense and staff of a resort spa sublicensee or a person otherwise operating under a resort  
3818 spa sublicense shall comply with:

3819 (i) Chapter 5, Part 3, Retail Licensee Operational Requirements as if the resort spa  
3820 sublicensee is a retail licensee, unless a provision conflicts with this chapter; and

3821 (ii) this chapter.

3822 ~~[(b)]~~ (c) Subject to Section **32B-8-502**, failure to comply as provided in Subsection  
3823 (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
3824 Enforcement Act, against:

3825 (i) a ~~[retail]~~ resort licensee;

3826 (ii) staff of the ~~[retail]~~ resort licensee;

3827 (iii) a resort spa sublicensee or person otherwise ~~[related to]~~ operating under a resort  
3828 spa sublicense; ~~[or]~~

3829 (iv) individual staff of a resort spa sublicensee or person otherwise operating under a  
3830 resort spa sublicense; or

3831 ~~[(iv)]~~ (v) any combination of the persons listed in ~~[this Subsection (1)(b)]~~ Subsections  
3832 (1)(c)(i) through (iv).

3833 (2) (a) For purposes of the resort spa sublicense, the resort licensee shall ensure that ~~[a~~  
3834 ~~record required by this title is maintained, and]~~ a record is maintained or used for the resort spa  
3835 sublicense:

3836 (i) as the department requires; and

3837 (ii) for a minimum period of three years.

3838 (b) A resort spa sublicensee record is subject to inspection by an authorized

3839 representative of the commission and the department.

3840 (c) A resort licensee shall allow the department, through [~~an auditor or examiner~~] a  
3841 compliance officer of the department, to audit the records for a resort spa sublicense at the  
3842 times the department considers advisable.

3843 (d) The department shall audit the records for a resort spa sublicense at least once  
3844 annually.

3845 (e) Section 32B-1-205 applies to a record required to be made, maintained, or used in  
3846 accordance with this Subsection (2).

3847 (3) (a) A resort spa sublicensee or person operating under a resort spa sublicense may  
3848 not sell, offer for sale, or furnish liquor at a resort spa during a period that:

3849 (i) begins at 1 a.m.; and

3850 (ii) ends at 9:59 a.m.

3851 (b) A resort spa sublicensee or person operating under a resort spa sublicense may sell,  
3852 offer for sale, or furnish beer during the hours specified in Chapter 6, Part 7, On-Premise Beer  
3853 Retailer License, for an on-premise beer retailer.

3854 (c) (i) Notwithstanding Subsections (3)(a) and (b), a resort spa shall remain open for  
3855 one hour after the resort spa ceases the sale and furnishing of an alcoholic product during  
3856 which time a person at the resort spa may finish consuming:

3857 (A) a single drink containing spirituous liquor;

3858 (B) a single serving of wine not exceeding five ounces;

3859 (C) a single serving of heavy beer;

3860 (D) a single serving of beer not exceeding 26 ounces; or

3861 (E) a single serving of a flavored malt beverage.

3862 (ii) A resort spa is not required to remain open:

3863 (A) after all [~~persons~~] individuals have vacated the resort spa [~~sublicense~~] sublicensee's  
3864 sublicensed premises; or

3865 (B) during an emergency.

3866 (4) (a) A minor may not be admitted into, use, or be on [~~:-(a)] the [~~sublicense~~]  
3867 sublicensed premises of a resort spa sublicense unless accompanied by [~~a person~~] an individual  
3868 21 years of age or older [~~;-or]~~.~~

3869 (b) A minor permitted under Subsection (4)(a) to be admitted into, use, or be on the

3870 sublicensed premises of a resort spa sublicense:

3871 ~~[(b)]~~ (i) may only be admitted into or be on a lounge or bar area of the resort spa  
3872 [sublicense] sublicensee's sublicensed premises[-] momentarily while en route to another area  
3873 of the resort spa; and

3874 (ii) may not remain or sit in the lounge or bar area of the resort spa sublicensee's  
3875 sublicensed premises.

3876 (5) A resort spa sublicensee shall have food available at all times when an alcoholic  
3877 product is sold, offered for sale, furnished, or consumed on the resort spa [sublicense]  
3878 sublicensee's sublicensed premises.

3879 (6) (a) Subject to the other provisions of this Subsection (6), a patron may not have  
3880 more than two alcoholic products of any kind at a time before the patron.

3881 (b) A resort spa patron may not have two spirituous liquor drinks before the resort spa  
3882 patron if one of the spirituous liquor drinks consists only of the primary spirituous liquor for  
3883 the other spirituous liquor drink.

3884 (c) An individual portion of wine is considered to be one alcoholic product under this  
3885 Subsection (6).

3886 (7) (a) An alcoholic product may only be consumed at a table or counter.

3887 (b) An alcoholic product may not be served to or consumed by a patron at a dispensing  
3888 structure.

3889 (8) (a) A resort spa sublicensee or person operating under a resort spa sublicense shall  
3890 have available on the resort spa [sublicense] sublicense's sublicensed premises for a patron to  
3891 review at the time that the patron requests it, a written alcoholic product price list or a menu  
3892 containing the price of an alcoholic product sold or furnished by the resort spa sublicensee  
3893 including:

3894 (i) a set-up charge;

3895 (ii) a service charge; or

3896 (iii) a chilling fee.

3897 (b) A charge or fee made in connection with the sale, service, or consumption of liquor  
3898 may be stated in food or alcoholic product menus including:

3899 (i) a set-up charge;

3900 (ii) a service charge; or

3901 (iii) a chilling fee.

3902 (9) (a) A resort licensee shall own or lease premises suitable for the resort ~~[spa's]~~ spa  
3903 sublicense's activities.

3904 (b) A resort licensee may not maintain premises in a manner that barricades or conceals  
3905 the resort spa sublicense's operation.

3906 (10) Subject to the other provisions of this section, a resort spa sublicensee or person  
3907 operating under a resort spa sublicense may not sell an alcoholic product to or allow ~~[a person]~~  
3908 an individual to be admitted to or use the resort spa ~~[sublicense]~~ sublicensee's sublicensed  
3909 premises other than:

3910 (a) a resident; or

3911 (b) a customer.

3912 ~~[(b) a public customer who holds a valid customer card issued under Subsection (12);~~

3913 ~~or]~~

3914 ~~[(c) an invitee.]~~

3915 ~~[(11) A person operating under a resort spa sublicense may allow an individual to be~~  
3916 ~~admitted to or use the resort spa sublicense premises as an invitee subject to the following~~  
3917 ~~conditions:]~~

3918 ~~[(a) the individual shall be previously authorized by one of the following who agrees to~~  
3919 ~~host the individual as an invitee into the resort spa:]~~

3920 ~~[(i) a resident; or]~~

3921 ~~[(ii) a public customer as described in Subsection (10);]~~

3922 ~~[(b) the individual has only those privileges derived from the individual's host for the~~  
3923 ~~duration of the invitee's visit to the resort spa; and]~~

3924 ~~[(c) a resort licensee, resort spa, or staff of the resort licensee or resort spa may not~~  
3925 ~~enter into an agreement or arrangement with a resident or public customer to indiscriminately~~  
3926 ~~host a member of the general public into the resort spa as an invitee.]~~

3927 ~~[(12) A person operating under a resort spa sublicense may issue a customer card to~~  
3928 ~~allow an individual to enter and use the resort spa sublicense premises on a temporary basis~~  
3929 ~~under the following conditions:]~~

3930 ~~[(a) the resort spa may not issue a customer card for a time period that exceeds three~~  
3931 ~~weeks;]~~

3932 ~~[(b) the resort spa shall assess a fee to a public customer for a customer card;]~~

3933 ~~[(c) the resort spa may not issue a customer card to a minor; and]~~

3934 ~~[(d) a public customer may not host more than seven invitees at one time.]~~

3935 Section 73. Section **32B-9-201** is amended to read:

3936 **32B-9-201. Application requirements for event permit.**

3937 (1) To obtain an event permit, a person shall submit to the department:

3938 (a) a written application in a form that the department prescribes;

3939 (b) an event permit fee:

3940 (i) in the amount specified in the relevant part under this chapter for the type of event  
3941 permit for which the person is applying; and

3942 (ii) that is refundable if an event permit is not issued;

3943 (c) written consent of the local authority;

3944 (d) a bond as specified by Section [32B-9-203](#);

3945 (e) the times, dates, location, estimated attendance, nature, and purpose of the event;

3946 (f) a description or floor plan designating:

3947 (i) the area in which the person proposes that an alcoholic product be stored;

3948 (ii) the site from which the person proposes that an alcoholic product be sold, offered  
3949 for sale, or furnished; and

3950 (iii) the area in which the person proposes that an alcoholic product be allowed to be  
3951 consumed;

3952 (g) a signed consent form stating that the event permittee will permit any authorized  
3953 representative of the commission, department, or any law enforcement officer to have  
3954 unrestricted right to enter the premises during the event;

3955 (h) if the person is an entity, proper verification evidencing that a person who signs the  
3956 application is authorized to sign on behalf of the entity; and

3957 (i) any other information as the commission or department may require.

3958 (2) If a person substantially changes the person's application under Subsection (1) after  
3959 the person initially submits the application, the person shall pay to the department a fee:

3960 (a) in an amount the department prescribes in accordance with Section [63J-1-504](#); and

3961 (b) that is nonrefundable, regardless of whether the department issues an event permit.

3962 ~~[(2)]~~ (3) An entity applying for a permit need not meet the requirements of Subsections



3963 (1)(b), (c), and (d) if the entity is:

3964 (a) a state agency; or

3965 (b) a political subdivision of the state.

3966 ~~[(3)]~~ (4) The director may not issue an event permit to a person who is disqualified  
3967 under Section 32B-1-304.

3968 ~~[(4)]~~ (5) (a) The proximity requirements of Section 32B-1-202 do not apply to an event  
3969 permit.

3970 (b) Notwithstanding Subsection ~~[(4)]~~ (5)(a), nothing in this section prevents the  
3971 director, the Compliance, Licensing, and Enforcement Subcommittee, or the commission from  
3972 considering the proximity of an educational, religious, or recreational facility, or any other  
3973 relevant factor in deciding whether to issue an event permit.

3974 Section 74. Section 32B-10-206 is amended to read:

3975 **32B-10-206. General operational requirements for special use permit.**

3976 (1) (a) A special use permittee and staff of the special use permittee shall comply with  
3977 this title and rules of the commission, including the relevant part of the chapter that applies to  
3978 the type of special use permit held by the special use permittee.

3979 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
3980 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3981 (i) a special use permittee;

3982 (ii) individual staff of a special use permittee; or

3983 (iii) a special use permittee and staff of the special use permittee.

3984 (c) The commission may suspend or revoke a special use permit with or without cause.

3985 (2) (a) If there is a conflict between this part and the relevant part under this chapter for  
3986 the specific type of special use permit, the relevant part under this chapter governs.

3987 (b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," a  
3988 special use permittee may only purchase, use, store, sell, offer for sale, allow consumption, or  
3989 manufacture an alcoholic product authorized for the special use permit that is held by the  
3990 special use permittee.

3991 (c) Notwithstanding that this part or the relevant part under this chapter for the type of  
3992 special use permit held by a special use permittee refers to "special use permittee," a person  
3993 involved in the purchase, use, store, sell, offer for sale, allow consumption, or manufacture of

3994 an alcoholic product for which the special use permit is issued is subject to the same  
3995 requirement or prohibition.

3996 (3) (a) A special use permittee shall make and maintain a record, as required by  
3997 commission rule, of any alcoholic product purchased, used, sold, or manufactured.

3998 (b) Section 32B-1-205 applies to a record required to be made or maintained in  
3999 accordance with this Subsection (3).

4000 (4) (a) Except as otherwise provided in this title, a special use permittee may not  
4001 purchase liquor except from a state store or package agency.

4002 (b) A special use permittee may transport liquor purchased by the special use permittee  
4003 in accordance with this Subsection (4) from the place of purchase to the special use permittee's  
4004 premises.

4005 (c) A special use permittee shall purchase liquor at prices set by the commission.

4006 (d) When authorized by a special use permit, a special use permittee may purchase and  
4007 receive an alcoholic product directly from a manufacturer for a purpose that is industrial,  
4008 educational, scientific, or manufacturing.

4009 (e) A health care facility may purchase and receive an alcoholic product directly from a  
4010 manufacturer for use at the health care facility.

4011 (5) A special use permittee may not use, mix, store, sell, offer for sale, furnish,  
4012 manufacture, or allow consumption of an alcoholic product in a location other than as  
4013 designated in a special use permittee's application.

4014 (6) Except as otherwise provided, a special use permittee may not sell, offer for sale, or  
4015 furnish an alcoholic product to:

4016 (a) a minor;

4017 (b) a person actually, apparently, or obviously intoxicated;

4018 (c) a known interdicted person; or

4019 (d) a known habitual drunkard.

4020 (7) A special use permittee may not employ a minor to handle an alcoholic product.

4021 (8) (a) The location specified in a special use permit may not be transferred from one  
4022 location to another location, ~~[without prior written approval of the commission],~~ except as  
4023 provided in Chapter 8a, Transfer of Alcohol License Act.

4024 (b) A special use permittee may not sell, transfer, assign, exchange, barter, give, or

4025 attempt in any way to dispose of the permit to another person whether for monetary gain or not,  
4026 except as provided in Chapter 8a, Transfer of Alcohol License Act.

4027 (9) A special use permittee may not purchase, use, mix, store, sell, offer for sale,  
4028 furnish, consume, or manufacture an alcoholic product for a purpose other than that authorized  
4029 by the special use permit.

4030 (10) The commission may prescribe by policy or rule consistent with this title, the  
4031 general operational requirements of a special use permittee relating to:

4032 (a) physical facilities;

4033 (b) conditions of purchase, use, storage, sale, consumption, or manufacture of an  
4034 alcoholic product;

4035 (c) purchase, storage, and sales quantity limitations; and

4036 (d) other matters considered appropriate by the commission.

4037 Section 75. Section **32B-11-208** is amended to read:

4038 **32B-11-208. General operational requirements for manufacturing license.**

4039 (1) (a) A manufacturing licensee and staff of the manufacturing licensee shall comply  
4040 with this title and the rules of the commission, including the relevant part of this chapter  
4041 applicable to the type of manufacturing license held by the manufacturing licensee.

4042 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
4043 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

4044 (i) a manufacturing licensee;

4045 (ii) individual staff of a manufacturing licensee; or

4046 (iii) a manufacturing licensee and staff of the manufacturing licensee.

4047 (2) A manufacturing licensee shall prominently display the manufacturing license on  
4048 the licensed premises.

4049 (3) (a) A manufacturing licensee shall make and maintain the records required by the  
4050 department.

4051 (b) Section **32B-1-205** applies to a record required to be made or maintained in  
4052 accordance with this Subsection (3).

4053 (4) A manufacturing licensee may not sell liquor within the state except to:

4054 (a) the department; or

4055 (b) a military installation.

4056 (5) A manufacturing license may not be transferred from one location to another  
4057 location, [~~without prior written approval of the commission~~] except as provided in Chapter 8a,  
4058 Transfer of Alcohol License Act.

4059 (6) (a) A manufacturing licensee may not sell, transfer, assign, exchange, barter, give,  
4060 or attempt in any way to dispose of the license to another person, whether for monetary gain or  
4061 not, except as provided in Chapter 8a, Transfer of Alcohol License Act.

4062 (b) A manufacturing license has no monetary value for any type of disposition.

4063 (7) A manufacturing licensee may not advertise [~~its~~] the manufacturing licensee's  
4064 product in violation of this title or any other federal or state law, except that nothing in this title  
4065 prohibits the advertising or solicitation of an order for industrial alcohol from a holder of a  
4066 special use permit.

4067 (8) A manufacturing licensee shall from time to time, on request of the department,  
4068 furnish for analytical purposes a sample of the alcoholic product that the manufacturing  
4069 licensee has:

4070 (a) for sale; or

4071 (b) in the course of manufacture for sale in this state.

4072 (9) The commission may prescribe by policy or rule, consistent with this title, the  
4073 general operational requirements of a manufacturing licensee relating to:

4074 (a) physical facilities;

4075 (b) conditions of storage, sale, or manufacture of an alcoholic product;

4076 (c) storage and sales quantity limitations; and

4077 (d) other matters considered appropriate by the commission.

4078 Section 76. Section **32B-11-403** is amended to read:

4079 **32B-11-403. Specific authority and operational requirements for distillery**  
4080 **manufacturing license.**

4081 (1) A distillery manufacturing license allows a distillery manufacturing licensee to:

4082 (a) store, manufacture, transport, import, or export liquor;

4083 (b) sell liquor to:

4084 (i) the department;

4085 (ii) an out-of-state customer; and

4086 (iii) as provided in Subsection (2);

4087 (c) purchase an alcoholic product for mixing and manufacturing purposes if the  
4088 department is notified of:

4089 (i) the purchase; and

4090 (ii) the date of delivery; ~~and~~

4091 (d) warehouse on ~~its~~ the distillery manufacturing licensee's licensed premises an  
4092 alcoholic product that the distillery manufacturing licensee manufactures or purchases for  
4093 manufacturing purposes~~[-]~~;

4094 (e) if the distillery manufacturing licensee holds two or more distillery manufacturing  
4095 licenses under this chapter, transport an alcoholic product from one of the distillery  
4096 manufacturing licensee's licensed premises to another, if the transportation occurs for the  
4097 purpose of:

4098 (i) continuing or completing the manufacturing process; or

4099 (ii) storing a bulk container or an alcoholic product that is distilled and packaged in the  
4100 state, including the transport of an alcoholic product to a package agency located at any of the  
4101 distillery manufacturing licensee's licensed premises; and

4102 (f) receive samples of an alcoholic product from a person outside the state for the sole  
4103 purpose of performing tests and analysis, if the distillery manufacturing licensee:

4104 (i) performs the tests and analysis in accordance with 27 C.F.R. Secs. 19.434(a), (c),  
4105 (d), (e), and (f), Secs. 19.435 through 19.437, and Sec. 19.616;

4106 (ii) keeps records of the samples received, including:

4107 (A) all data required under 27.C.F.R. Sec. 19.616;

4108 (B) a description of the sample; and

4109 (C) the date the distillery manufacturing licensee receives the sample; and

4110 (iii) upon request, provides the records described in Subsection (1)(f)(ii) to the  
4111 department.

4112 (2) (a) Subject to the other provisions of this Subsection (2), a distillery manufacturing  
4113 licensee may directly sell an alcoholic product to a person engaged within the state in:

4114 (i) a mechanical or industrial business that requires the use of an alcoholic product; or

4115 (ii) scientific pursuits that require the use of an alcoholic product.

4116 (b) A person who purchases an alcoholic product under Subsection (2)(a) shall hold a  
4117 valid special use permit issued in accordance with Chapter 10, Special Use Permit Act,

4118 authorizing the use of the alcoholic product.

4119 (c) A distillery manufacturing licensee may sell to a special use permittee described in  
4120 Subsection (2)(b) an alcoholic product only in the type for which the special use permit  
4121 provides.

4122 (d) The sale of an alcoholic product under this Subsection (2) is subject to rules  
4123 prescribed by the department and the federal government.

4124 (3) The federal definitions, standards of identity and quality, and labeling requirements  
4125 for distilled liquor, in the regulations issued under Federal Alcohol Administration Act, 27  
4126 U.S.C. Sec. 201 et seq., are adopted to the extent the regulations are not contrary to or  
4127 inconsistent with laws of this state.

4128 (4) If considered necessary, the commission or department may require:

4129 (a) the alteration of the plant, equipment, or licensed premises;

4130 (b) the alteration or removal of unsuitable alcoholic product-making equipment or  
4131 material;

4132 (c) a distillery manufacturing licensee to clean, disinfect, ventilate, or otherwise  
4133 improve the sanitary and working conditions of the plant, licensed premises, and equipment; or

4134 (d) that a record pertaining to the materials and ingredients used in the manufacture of  
4135 an alcoholic product be made available to the commission or department upon request.

4136 (5) A distillery manufacturing licensee may not permit an alcoholic product to be  
4137 consumed on [~~its~~] the distillery manufacturing licensee's premises, except that:

4138 (a) a distillery manufacturing licensee may allow [~~its~~] the distillery manufacturing  
4139 licensee's on-duty staff to taste on the licensed premises an alcoholic product that the distillery  
4140 manufacturing licensee manufactures on [~~its~~] the distillery manufacturing licensee's licensed  
4141 premises without charge, but only in connection with the on-duty staff's duties of  
4142 manufacturing the alcoholic product during the manufacturing process and not otherwise;

4143 (b) a distillery manufacturing licensee may allow a person who can lawfully purchase  
4144 an alcoholic product for wholesale or retail distribution to consume a bona fide sample of the  
4145 distillery manufacturing licensee's product on the licensed premises; and

4146 (c) a distillery manufacturing licensee may conduct tastings as provided in Section  
4147 [32B-11-210](#).

4148 Section 77. Section **63I-2-232** is amended to read:

- 4149           **63I-2-232. Repeal dates -- Title 32B.**
- 4150           (1) Subsection [32B-1-102](#)~~[(7)]~~(9) is repealed July 1, 2022.
- 4151           ~~[(2) Section [32B-1-207.1](#) is repealed November 1, 2019.]~~
- 4152           ~~[(3)]~~ (2) Subsection [32B-1-407](#)(3)(d) is repealed July 1, 2022.
- 4153           ~~[(4)]~~ (3) Section [32B-2-211.1](#) is repealed November 1, 2020.
- 4154           ~~[(5)]~~ (4) Subsections [32B-6-202](#)(3) and (4) are repealed July 1, 2022.
- 4155           ~~[(6)]~~ (5) Section [32B-6-205](#) is repealed July 1, 2022.
- 4156           ~~[(7)]~~ (6) Subsection [32B-6-205.2](#)(14) is repealed July 1, 2022.
- 4157           ~~[(8)]~~ (7) Section [32B-6-205.3](#) is repealed July 1, 2022.
- 4158           ~~[(9)]~~ (8) Subsections [32B-6-302](#)(3) and (4) are repealed July 1, 2022.
- 4159           ~~[(10)]~~ (9) Section [32B-6-305](#) is repealed July 1, 2022.
- 4160           ~~[(11)]~~ (10) Subsection [32B-6-305.2](#)(14) is repealed July 1, 2022.
- 4161           ~~[(12)]~~ (11) Section [32B-6-305.3](#) is repealed July 1, 2022.
- 4162           ~~[(13)]~~ (12) Section [32B-6-404.1](#) is repealed July 1, 2022.
- 4163           ~~[(14)]~~ (13) Section [32B-6-409](#) is repealed July 1, 2022.
- 4164           ~~[(15)]~~ (14) Subsection [32B-6-703](#)(2)(e)(iv) is repealed July 1, 2022.
- 4165           ~~[(16)]~~ (15) Subsections [32B-6-902](#)(1)(c), (1)(d), and (2) are repealed July 1, 2022.
- 4166           ~~[(17)]~~ (16) Section [32B-6-905](#) is repealed July 1, 2022.
- 4167           ~~[(18)]~~ (17) Subsection [32B-6-905.1](#)(15) is repealed July 1, 2022.
- 4168           ~~[(19)]~~ (18) Section [32B-6-905.2](#) is repealed July 1, 2022.
- 4169           ~~[(20) Subsection [32B-8-402](#)(1)(b) is repealed July 1, 2022.]~~
- 4170           (19) Subsection [32B-8d-104](#)(3) is repealed July 1, 2022.
- 4171           Section 78. **Repealer.**
- 4172           This bill repeals:
- 4173           Section [32B-8-203](#), **Specific qualifications for resort license.**
- 4174           Section [32B-8-204](#), **Commission and department duties before issuing resort**
- 4175 **license.**
- 4176           Section [32B-8-402](#), **Specific operational requirements for a sublicense.**
- 4177           Section [32B-8-503](#), **Enforcement of Nuisance Retail Licensee Act.**
- 4178           Section [32B-8b-203](#), **Qualifications for hotel license and sublicense.**
- 4179           Section [32B-8b-204](#), **Commission and department duties before issuing hotel**

4180 **license.**

4181 Section **32B-8b-302**, **Specific operational requirements for a sublicense.**

4182 Section **32B-8b-402**, **Enforcement of Nuisance Retail Licensee Act.**