

1 **AIRPORT-RELATED ALCOHOL MODIFICATIONS**

2 2020 FIFTH SPECIAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Timothy D. Hawkes**

5 Senate Sponsor: Jerry W. Stevenson

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions of the Alcoholic Beverage Control Act related to airports.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ provides that provisions related to percentage lease agreements do not apply to a
- 14 lease agreement in which the lessee is an airport lounge licensee;
- 15 ▶ modifies the number of airport lounge licenses that the Alcoholic Beverage Control
- 16 Commission may issue;
- 17 ▶ allows a central receiving and distribution center that operates at an international
- 18 airport to obtain a liquor transport license allowing the license holder to:
 - 19 • pickup liquor from a state store or package agency on behalf of an airport
 - 20 licensee and transport the liquor to the central receiving and distribution center's
 - 21 premises for screening and delivery;
 - 22 • receive, screen, and store alcoholic product purchased by airport licensees; and
 - 23 • deliver alcoholic product to airport licensees;
- 24 ▶ addresses the operational requirements for a liquor transport licensee that is a
- 25 central receiving and distribution center; and
- 26 ▶ makes technical and conforming changes.

27 **Money Appropriated in this Bill:**



28 None

29 **Other Special Clauses:**

30 This bill provides a special effective date.

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **32B-1-102**, as last amended by Laws of Utah 2020, Chapter 219

34 **32B-1-208**, as enacted by Laws of Utah 2020, Chapter 219

35 **32B-6-503**, as last amended by Laws of Utah 2018, Chapter 249

36 **32B-17-201**, as enacted by Laws of Utah 2019, Chapter 403

37 **32B-17-202**, as enacted by Laws of Utah 2019, Chapter 403

38 **32B-17-203**, as enacted by Laws of Utah 2019, Chapter 403

39 **32B-17-301**, as enacted by Laws of Utah 2019, Chapter 403

40 ENACTS:

41 **32B-17-102**, Utah Code Annotated 1953

42 **32B-17-301.5**, Utah Code Annotated 1953



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

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

46 **32B-1-102. Definitions.**

47 As used in this title:

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

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

50 (b) that is located at an international airport [~~with a United States Customs office on~~

51 ~~the premises of the international airport~~].

52 (2) "Airport lounge license" means a license issued in accordance with Chapter 5,

53 Retail License Act, and Chapter 6, Part 5, Airport Lounge License.

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

55 (a) beer; or

56 (b) liquor.

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

58 (i) contains at least .5% of alcohol by volume; and

59 (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other
60 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol
61 in an amount equal to or greater than .5% of alcohol by volume.

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

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

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

66 (ii) vinegar;

67 (iii) preserved nonintoxicating cider;

68 (iv) essence;

69 (v) tincture;

70 (vi) food preparation; or

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

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

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

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

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

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

78 (a) that is managed by:

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

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

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

84 (b) that operates as a venue; and

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

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

88 (8) "Banquet" means an event:

89 (a) that is a private event or a privately sponsored event;

90 (b) that is held at one or more designated locations approved by the commission in or
91 on the premises of:

- 92 (i) a hotel;
- 93 (ii) a resort facility;
- 94 (iii) a sports center;
- 95 (iv) a convention center;
- 96 (v) a performing arts facility; or
- 97 (vi) an arena;

98 (c) for which there is a contract:

99 (i) between a person operating a facility listed in Subsection (8)(b) and another person
100 that has common ownership of less than 20% with the person operating the facility; and

101 (ii) under which the person operating a facility listed in Subsection (8)(b) is required to
102 provide an alcoholic product at the event; and

103 (d) at which food and alcoholic products may be sold, offered for sale, or furnished.

104 (9) "Bar structure" means a surface or structure on a licensed premises if on or at any
105 place of the surface or structure an alcoholic product is:

- 106 (a) stored; or
- 107 (b) dispensed.

108 (10) (a) "Bar establishment license" means a license issued in accordance with Chapter
109 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.

110 (b) "Bar establishment license" includes:

- 111 (i) a dining club license;
- 112 (ii) an equity license;
- 113 (iii) a fraternal license; or
- 114 (iv) a bar license.

115 (11) "Bar license" means a license issued in accordance with Chapter 5, Retail License
116 Act, and Chapter 6, Part 4, Bar Establishment License.

117 (12) (a) Subject to Subsection ~~[(10)]~~ (12)(d), "beer" means a product that:

118 (i) contains at least .5% of alcohol by volume, but not more than 5% of alcohol by
119 volume or 4% by weight; and

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

- 121 (b) "Beer" may or may not contain hops or other vegetable products.
- 122 (c) "Beer" includes a product that:
 - 123 (i) contains alcohol in the percentages described in Subsection (12)(a); and
 - 124 (ii) is referred to as:
 - 125 (A) beer;
 - 126 (B) ale;
 - 127 (C) porter;
 - 128 (D) stout;
 - 129 (E) lager; or
 - 130 (F) a malt or malted beverage.
 - 131 (d) "Beer" does not include a flavored malt beverage.
 - 132 (13) "Beer-only restaurant license" means a license issued in accordance with Chapter
 - 133 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.
 - 134 (14) "Beer retailer" means a business that:
 - 135 (a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
 - 136 for consumption on or off the business premises; and
 - 137 (b) is licensed as:
 - 138 (i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
 - 139 Retailer Local Authority; or
 - 140 (ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
 - 141 Chapter 6, Part 7, On-Premise Beer Retailer License.
 - 142 (15) "Beer wholesaling license" means a license:
 - 143 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
 - 144 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
 - 145 retail licensees or off-premise beer retailers.
 - 146 (16) "Billboard" means a public display used to advertise, including:
 - 147 (a) a light device;
 - 148 (b) a painting;
 - 149 (c) a drawing;
 - 150 (d) a poster;
 - 151 (e) a sign;

- 152 (f) a signboard; or
- 153 (g) a scoreboard.
- 154 (17) "Brewer" means a person engaged in manufacturing:
- 155 (a) beer;
- 156 (b) heavy beer; or
- 157 (c) a flavored malt beverage.
- 158 (18) "Brewery manufacturing license" means a license issued in accordance with
- 159 Chapter 11, Part 5, Brewery Manufacturing License.
- 160 (19) "Certificate of approval" means a certificate of approval obtained from the
- 161 department under Section [32B-11-201](#).
- 162 (20) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
- 163 a bus company to a group of persons pursuant to a common purpose:
- 164 (a) under a single contract;
- 165 (b) at a fixed charge in accordance with the bus company's tariff; and
- 166 (c) to give the group of persons the exclusive use of the passenger bus, coach, or other
- 167 motor vehicle, and a driver to travel together to one or more specified destinations.
- 168 (21) "Church" means a building:
- 169 (a) set apart for worship;
- 170 (b) in which religious services are held;
- 171 (c) with which clergy is associated; and
- 172 (d) that is tax exempt under the laws of this state.
- 173 (22) "Commission" means the Alcoholic Beverage Control Commission created in
- 174 Section [32B-2-201](#).
- 175 (23) "Commissioner" means a member of the commission.
- 176 (24) "Community location" means:
- 177 (a) a public or private school;
- 178 (b) a church;
- 179 (c) a public library;
- 180 (d) a public playground; or
- 181 (e) a public park.
- 182 (25) "Community location governing authority" means:

- 183 (a) the governing body of the community location; or
- 184 (b) if the commission does not know who is the governing body of a community
- 185 location, a person who appears to the commission to have been given on behalf of the
- 186 community location the authority to prohibit an activity at the community location.
- 187 (26) "Container" means a receptacle that contains an alcoholic product, including:
- 188 (a) a bottle;
- 189 (b) a vessel; or
- 190 (c) a similar item.
- 191 (27) "Convention center" means a facility that is:
- 192 (a) in total at least 30,000 square feet; and
- 193 (b) otherwise defined as a "convention center" by the commission by rule.
- 194 (28) (a) "Counter" means a surface or structure in a dining area of a licensed premises
- 195 where seating is provided to a patron for service of food.
- 196 (b) "Counter" does not include a dispensing structure.
- 197 (29) "Crime involving moral turpitude" is as defined by the commission by rule.
- 198 (30) "Department" means the Department of Alcoholic Beverage Control created in
- 199 Section [32B-2-203](#).
- 200 (31) "Department compliance officer" means an individual who is:
- 201 (a) an auditor or inspector; and
- 202 (b) employed by the department.
- 203 (32) "Department sample" means liquor that is placed in the possession of the
- 204 department for testing, analysis, and sampling.
- 205 (33) "Dining club license" means a license issued in accordance with Chapter 5, Retail
- 206 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
- 207 commission as a dining club license.
- 208 (34) "Director," unless the context requires otherwise, means the director of the
- 209 department.
- 210 (35) "Disciplinary proceeding" means an adjudicative proceeding permitted under this
- 211 title:
- 212 (a) against a person subject to administrative action; and
- 213 (b) that is brought on the basis of a violation of this title.

- 214 (36) (a) Subject to Subsection (36)(b), "dispense" means:
- 215 (i) drawing an alcoholic product; and
- 216 (ii) using the alcoholic product at the location from which it was drawn to mix or
- 217 prepare an alcoholic product to be furnished to a patron of the retail licensee.
- 218 (b) The definition of "dispense" in this Subsection (36) applies only to:
- 219 (i) a full-service restaurant license;
- 220 (ii) a limited-service restaurant license;
- 221 (iii) a reception center license; [~~and~~]
- 222 (iv) a beer-only restaurant license[?];
- 223 (v) a bar license;
- 224 (vi) an on-premise beer retailer;
- 225 (vii) an airport lounge license;
- 226 (viii) an on-premise banquet license; and
- 227 (ix) a hospitality amenity license.
- 228 (37) "Dispensing structure" means a surface or structure on a licensed premises:
- 229 (a) where an alcoholic product is dispensed; or
- 230 (b) from which an alcoholic product is served.
- 231 (38) "Distillery manufacturing license" means a license issued in accordance with
- 232 Chapter 11, Part 4, Distillery Manufacturing License.
- 233 (39) "Distressed merchandise" means an alcoholic product in the possession of the
- 234 department that is saleable, but for some reason is unappealing to the public.
- 235 (40) "Equity license" means a license issued in accordance with Chapter 5, Retail
- 236 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
- 237 commission as an equity license.
- 238 (41) "Event permit" means:
- 239 (a) a single event permit; or
- 240 (b) a temporary beer event permit.
- 241 (42) "Exempt license" means a license exempt under Section [32B-1-201](#) from being
- 242 considered in determining the total number of retail licenses that the commission may issue at
- 243 any time.
- 244 (43) (a) "Flavored malt beverage" means a beverage:

- 245 (i) that contains at least .5% alcohol by volume;
- 246 (ii) that is treated by processing, filtration, or another method of manufacture that is not
- 247 generally recognized as a traditional process in the production of a beer as described in 27
- 248 C.F.R. Sec. 25.55;
- 249 (iii) to which is added a flavor or other ingredient containing alcohol, except for a hop
- 250 extract; and
- 251 (iv) (A) for which the producer is required to file a formula for approval with the
- 252 federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or
- 253 (B) that is not exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55.
- 254 (b) "Flavored malt beverage" is considered liquor for purposes of this title.
- 255 (44) "Fraternal license" means a license issued in accordance with Chapter 5, Retail
- 256 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
- 257 commission as a fraternal license.
- 258 (45) "Full-service restaurant license" means a license issued in accordance with
- 259 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.
- 260 (46) (a) "Furnish" means by any means to provide with, supply, or give an individual
- 261 an alcoholic product, by sale or otherwise.
- 262 (b) "Furnish" includes to:
- 263 (i) serve;
- 264 (ii) deliver; or
- 265 (iii) otherwise make available.
- 266 (47) "Guest" means an individual who meets the requirements of Subsection
- 267 [32B-6-407\(9\)](#).
- 268 (48) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.
- 269 (49) "Health care practitioner" means:
- 270 (a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;
- 271 (b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;
- 272 (c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;
- 273 (d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice
- 274 Act;
- 275 (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,

276 Nurse Practice Act;
277 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
278 Practice Act;
279 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
280 Therapy Practice Act;
281 (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;
282 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health
283 Professional Practice Act;
284 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
285 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
286 Practice Act;
287 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
288 Hygienist Practice Act; and
289 (m) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician
290 Assistant Act.
291 (50) (a) "Heavy beer" means a product that:
292 (i) contains more than 5% alcohol by volume; and
293 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
294 (b) "Heavy beer" is considered liquor for the purposes of this title.
295 (51) "Hospitality amenity license" means a license issued in accordance with Chapter
296 5, Retail License Act, and Chapter 6, Part 10, Hospitality Amenity License.
297 (52) "Hotel" means a commercial lodging establishment that:
298 (a) offers at least 40 rooms as temporary sleeping accommodations for compensation;
299 (b) is capable of hosting conventions, conferences, and food and beverage functions
300 under a banquet contract; and
301 (c) (i) has adequate kitchen or culinary facilities on the premises to provide complete
302 meals; or
303 (ii) (A) has at least 1,000 square feet of function space consisting of meeting or dining
304 rooms that can be reserved for private use under a banquet contract and can accommodate at
305 least 75 individuals; or
306 (B) if the establishment is located in a small or unincorporated locality, has an

307 appropriate amount of function space consisting of meeting or dining rooms that can be
308 reserved for private use under a banquet contract, as determined by the commission.

309 (53) "Hotel license" means a license issued in accordance with Chapter 5, Retail
310 License Act, and Chapter 8b, Hotel License Act.

311 (54) "Identification card" means an identification card issued under Title 53, Chapter 3,
312 Part 8, Identification Card Act.

313 (55) "Industry representative" means an individual who is compensated by salary,
314 commission, or other means for representing and selling an alcoholic product of a
315 manufacturer, supplier, or importer of liquor.

316 (56) "Industry representative sample" means liquor that is placed in the possession of
317 the department for testing, analysis, and sampling by a local industry representative on the
318 premises of the department to educate the local industry representative of the quality and
319 characteristics of the product.

320 (57) "Interdicted person" means a person to whom the sale, offer for sale, or furnishing
321 of an alcoholic product is prohibited by:

- 322 (a) law; or
- 323 (b) court order.

324 (58) "International airport" means an airport:

325 (a) with a United States Customs and Border Protection office on the premises of the
326 airport; and

327 (b) at which international flights may enter and depart.

328 [~~58~~] (59) "Intoxicated" means that a person:

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

- 331 (i) an alcoholic product;
- 332 (ii) a controlled substance;
- 333 (iii) a substance having the property of releasing toxic vapors; or
- 334 (iv) a combination of Subsections [~~58~~] (59)(a)(i) through (iii); and

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

337 [~~59~~] (60) "Investigator" means an individual who is:

- 338 (a) a department compliance officer; or
- 339 (b) a nondepartment enforcement officer.
- 340 ~~[(60)]~~ (61) "License" means:
- 341 (a) a retail license;
- 342 (b) a sublicense;
- 343 (c) a license issued in accordance with Chapter 11, Manufacturing and Related
- 344 Licenses Act;
- 345 (d) a license issued in accordance with Chapter 12, Liquor Warehousing License Act;
- 346 (e) a license issued in accordance with Chapter 13, Beer Wholesaling License Act; or
- 347 (f) a license issued in accordance with Chapter 17, Liquor Transport License Act.
- 348 ~~[(61)]~~ (62) "Licensee" means a person who holds a license.
- 349 ~~[(62)]~~ (63) "Limited-service restaurant license" means a license issued in accordance
- 350 with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.
- 351 ~~[(63)]~~ (64) "Limousine" means a motor vehicle licensed by the state or a local
- 352 authority, other than a bus or taxicab:
- 353 (a) in which the driver and a passenger are separated by a partition, glass, or other
- 354 barrier;
- 355 (b) that is provided by a business entity to one or more individuals at a fixed charge in
- 356 accordance with the business entity's tariff; and
- 357 (c) to give the one or more individuals the exclusive use of the limousine and a driver
- 358 to travel to one or more specified destinations.
- 359 ~~[(64)]~~ (65) (a) (i) "Liquor" means a liquid that:
- 360 (A) is:
- 361 (I) alcohol;
- 362 (II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;
- 363 (III) a combination of liquids a part of which is spirituous, vinous, or fermented; or
- 364 (IV) other drink or drinkable liquid; and
- 365 (B) (I) contains at least .5% alcohol by volume; and
- 366 (II) is suitable to use for beverage purposes.
- 367 (ii) "Liquor" includes:
- 368 (A) heavy beer;

- 369 (B) wine; and
- 370 (C) a flavored malt beverage.
- 371 (b) "Liquor" does not include beer.
- 372 ~~[(65)]~~ (66) "Liquor Control Fund" means the enterprise fund created by Section
- 373 [32B-2-301](#).
- 374 ~~[(66)]~~ (67) "Liquor transport license" means a license issued in accordance with
- 375 Chapter 17, Liquor Transport License Act.
- 376 ~~[(67)]~~ (68) "Liquor warehousing license" means a license that is issued:
- 377 (a) in accordance with Chapter 12, Liquor Warehousing License Act; and
- 378 (b) to a person, other than a licensed manufacturer, who engages in the importation for
- 379 storage, sale, or distribution of liquor regardless of amount.
- 380 ~~[(68)]~~ (69) "Local authority" means:
- 381 (a) for premises that are located in an unincorporated area of a county, the governing
- 382 body of a county;
- 383 (b) for premises that are located in an incorporated city, town, or metro township, the
- 384 governing body of the city, town, or metro township; or
- 385 (c) for premises that are located in a project area as defined in Section [63H-1-201](#) and
- 386 in a project area plan adopted by the Military Installation Development Authority under Title
- 387 63H, Chapter 1, Military Installation Development Authority Act, the Military Installation
- 388 Development Authority.
- 389 ~~[(69)]~~ (70) "Lounge or bar area" is as defined by rule made by the commission.
- 390 ~~[(70)]~~ (71) "Manufacture" means to distill, brew, rectify, mix, compound, process,
- 391 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to
- 392 others.
- 393 ~~[(71)]~~ (72) "Member" means an individual who, after paying regular dues, has full
- 394 privileges in an equity licensee or fraternal licensee.
- 395 ~~[(72)]~~ (73) (a) "Military installation" means a base, air field, camp, post, station, yard,
- 396 center, or homeport facility for a ship:
- 397 (i) (A) under the control of the United States Department of Defense; or
- 398 (B) of the National Guard;
- 399 (ii) that is located within the state; and

- 400 (iii) including a leased facility.
- 401 (b) "Military installation" does not include a facility used primarily for:
- 402 (i) civil works;
- 403 (ii) a rivers and harbors project; or
- 404 (iii) a flood control project.
- 405 [~~(73)~~] (74) "Minibar" means an area of a hotel guest room where one or more alcoholic
- 406 products are kept and offered for self-service sale or consumption.
- 407 [~~(74)~~] (75) "Minor" means an individual under the age of 21 years.
- 408 [~~(75)~~] (76) "Nondepartment enforcement agency" means an agency that:
- 409 (a) (i) is a state agency other than the department; or
- 410 (ii) is an agency of a county, city, town, or metro township; and
- 411 (b) has a responsibility to enforce one or more provisions of this title.
- 412 [~~(76)~~] (77) "Nondepartment enforcement officer" means an individual who is:
- 413 (a) a peace officer, examiner, or investigator; and
- 414 (b) employed by a nondepartment enforcement agency.
- 415 [~~(77)~~] (78) (a) "Off-premise beer retailer" means a beer retailer who is:
- 416 (i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and
- 417 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
- 418 premises.
- 419 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.
- 420 [~~(78)~~] (79) "Off-premise beer retailer state license" means a state license issued in
- 421 accordance with Chapter 7, Part 4, Off-Premise Beer Retailer State License.
- 422 [~~(79)~~] (80) "On-premise banquet license" means a license issued in accordance with
- 423 Chapter 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.
- 424 [~~(80)~~] (81) "On-premise beer retailer" means a beer retailer who is:
- 425 (a) authorized to sell, offer for sale, or furnish beer under a license issued in
- 426 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer
- 427 Retailer License; and
- 428 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's
- 429 premises:
- 430 (i) regardless of whether the beer retailer sells beer for consumption off the licensed

431 premises; and

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

433 (A) as a tavern; or

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

435 ~~[(81)]~~ [\(82\)](#) "Opaque" means impenetrable to sight.

436 ~~[(82)]~~ [\(83\)](#) "Package agency" means a retail liquor location operated:

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

438 (b) by a person:

439 (i) other than the state; and

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

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

442 ~~[(83)]~~ [\(84\)](#) "Package agent" means a person who holds a package agency.

443 ~~[(84)]~~ [\(85\)](#) "Patron" means an individual to whom food, beverages, or services are sold,

444 offered for sale, or furnished, or who consumes an alcoholic product including:

445 (a) a customer;

446 (b) a member;

447 (c) a guest;

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

449 (e) an individual who receives room service;

450 (f) a resident of a resort; or

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

452 license.

453 ~~[(85)]~~ [\(86\)](#) (a) "Performing arts facility" means a multi-use performance space that:

454 (i) is primarily used to present various types of performing arts, including dance,

455 music, and theater;

456 (ii) contains over 2,500 seats;

457 (iii) is owned and operated by a governmental entity; and

458 (iv) is located in a city of the first class.

459 (b) "Performing arts facility" does not include a space that is used to present sporting

460 events or sporting competitions.

461 ~~[(86)]~~ [\(87\)](#) "Permittee" means a person issued a permit under:

- 462 (a) Chapter 9, Event Permit Act; or
- 463 (b) Chapter 10, Special Use Permit Act.
- 464 ~~[(87)]~~ (88) "Person subject to administrative action" means:
- 465 (a) a licensee;
- 466 (b) a permittee;
- 467 (c) a manufacturer;
- 468 (d) a supplier;
- 469 (e) an importer;
- 470 (f) one of the following holding a certificate of approval:
- 471 (i) an out-of-state brewer;
- 472 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
- 473 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or
- 474 (g) staff of:
- 475 (i) a person listed in Subsections ~~[(87)]~~ (88)(a) through (f); or
- 476 (ii) a package agent.
- 477 ~~[(88)]~~ (89) "Premises" means a building, enclosure, or room used in connection with
- 478 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic
- 479 product, unless otherwise defined in this title or rules made by the commission.
- 480 ~~[(89)]~~ (90) "Prescription" means an order issued by a health care practitioner when:
- 481 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,
- 482 to prescribe a controlled substance, other drug, or device for medicinal purposes;
- 483 (b) the order is made in the course of that health care practitioner's professional
- 484 practice; and
- 485 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.
- 486 ~~[(90)]~~ (91) (a) "Primary spirituous liquor" means the main distilled spirit in a beverage.
- 487 (b) "Primary spirituous liquor" does not include a secondary flavoring ingredient.
- 488 ~~[(91)]~~ (92) "Principal license" means:
- 489 (a) a resort license;
- 490 (b) a hotel license; or
- 491 (c) an arena license.
- 492 ~~[(92)]~~ (93) (a) "Private event" means a specific social, business, or recreational event:

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

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

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

499 ~~[(93)]~~ (94) "Privately sponsored event" means a specific social, business, or
500 recreational event:

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

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

503 ~~[(94)]~~ (95) (a) "Proof of age" means:

504 (i) an identification card;

505 (ii) an identification that:

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

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

509 (C) includes date of birth; and

510 (D) has a picture affixed;

511 (iii) a valid driver license certificate that:

512 (A) includes date of birth;

513 (B) has a picture affixed; and

514 (C) is issued:

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

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

517 (iv) a military identification card that:

518 (A) includes date of birth; and

519 (B) has a picture affixed; or

520 (v) a valid passport.

521 (b) "Proof of age" does not include a driving privilege card issued in accordance with
522 Section [53-3-207](#).

523 ~~[(95)]~~ (96) "Provisions applicable to a sublicense" means:

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

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

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

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

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

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

536 (g) for a hospitality amenity license, the provisions applicable to a hospitality amenity
537 license under Chapter 6, Part 10, Hospitality Amenity License; and

538 (h) for a resort spa sublicense, the provisions applicable to the sublicense under
539 Chapter 8d, Part 2, Resort Spa Sublicense.

540 [~~96~~] 97 (a) "Public building" means a building or permanent structure that is:

541 (i) owned or leased by:

542 (A) the state; or

543 (B) a local government entity; and

544 (ii) used for:

545 (A) public education;

546 (B) transacting public business; or

547 (C) regularly conducting government activities.

548 (b) "Public building" does not include a building owned by the state or a local
549 government entity when the building is used by a person, in whole or in part, for a proprietary
550 function.

551 [~~97~~] 98 "Public conveyance" means a conveyance that the public or a portion of the
552 public has access to and a right to use for transportation, including an airline, railroad, bus,
553 boat, or other public conveyance.

554 [~~98~~] 99 "Reception center" means a business that:

- 555 (a) operates facilities that are at least 5,000 square feet; and
- 556 (b) has as its primary purpose the leasing of the facilities described in Subsection [~~(98)~~
- 557 ~~(99)~~(a) to a third party for the third party's event.
- 558 [~~(99)~~] (100) "Reception center license" means a license issued in accordance with
- 559 Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.
- 560 [~~(100)~~] (101) (a) "Record" means information that is:
- 561 (i) inscribed on a tangible medium; or
- 562 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.
- 563 (b) "Record" includes:
- 564 (i) a book;
- 565 (ii) a book of account;
- 566 (iii) a paper;
- 567 (iv) a contract;
- 568 (v) an agreement;
- 569 (vi) a document; or
- 570 (vii) a recording in any medium.
- 571 [~~(101)~~] (102) "Residence" means a person's principal place of abode within Utah.
- 572 [~~(102)~~] (103) "Resident," in relation to a resort, means the same as that term is defined
- 573 in Section [32B-8-102](#).
- 574 [~~(103)~~] (104) "Resort" means the same as that term is defined in Section [32B-8-102](#).
- 575 [~~(104)~~] (105) "Resort facility" is as defined by the commission by rule.
- 576 [~~(105)~~] (106) "Resort spa sublicense" means a resort license sublicense issued in
- 577 accordance with Chapter 8d, Part 2, Resort Spa Sublicense.
- 578 [~~(106)~~] (107) "Resort license" means a license issued in accordance with Chapter 5,
- 579 Retail License Act, and Chapter 8, Resort License Act.
- 580 [~~(107)~~] (108) "Responsible alcohol service plan" means a written set of policies and
- 581 procedures that outlines measures to prevent employees from:
- 582 (a) over-serving alcoholic beverages to customers;
- 583 (b) serving alcoholic beverages to customers who are actually, apparently, or obviously
- 584 intoxicated; and
- 585 (c) serving alcoholic beverages to minors.

586 [~~(108)~~] (109) "Restaurant" means a business location:

- 587 (a) at which a variety of foods are prepared;
- 588 (b) at which complete meals are served; and
- 589 (c) that is engaged primarily in serving meals.

590 [~~(109)~~] (110) "Restaurant license" means one of the following licenses issued under
591 this title:

- 592 (a) a full-service restaurant license;
- 593 (b) a limited-service restaurant license; or
- 594 (c) a beer-only restaurant license.

595 [~~(110)~~] (111) "Retail license" means one of the following licenses issued under this
596 title:

- 597 (a) a full-service restaurant license;
- 598 (b) a master full-service restaurant license;
- 599 (c) a limited-service restaurant license;
- 600 (d) a master limited-service restaurant license;
- 601 (e) a bar establishment license;
- 602 (f) an airport lounge license;
- 603 (g) an on-premise banquet license;
- 604 (h) an on-premise beer license;
- 605 (i) a reception center license;
- 606 (j) a beer-only restaurant license;
- 607 (k) a hospitality amenity license;
- 608 (l) a resort license;
- 609 (m) a hotel license; or
- 610 (n) an arena license.

611 [~~(111)~~] (112) "Room service" means furnishing an alcoholic product to a person in a
612 guest room of a:

- 613 (a) hotel; or
- 614 (b) resort facility.

615 [~~(112)~~] (113) (a) "School" means a building in which any part is used for more than
616 three hours each weekday during a school year as a public or private:

- 617 (i) elementary school;
- 618 (ii) secondary school; or
- 619 (iii) kindergarten.
- 620 (b) "School" does not include:
- 621 (i) a nursery school;
- 622 (ii) a day care center;
- 623 (iii) a trade and technical school;
- 624 (iv) a preschool; or
- 625 (v) a home school.

626 [~~(H3)~~] (114) "Secondary flavoring ingredient" means any spirituous liquor added to a
627 beverage for additional flavoring that is different in type, flavor, or brand from the primary
628 spirituous liquor in the beverage.

629 [~~(H4)~~] (115) "Sell" or "offer for sale" means a transaction, exchange, or barter
630 whereby, for consideration, an alcoholic product is either directly or indirectly transferred,
631 solicited, ordered, delivered for value, or by a means or under a pretext is promised or
632 obtained, whether done by a person as a principal, proprietor, or as staff, unless otherwise
633 defined in this title or the rules made by the commission.

634 [~~(H5)~~] (116) "Serve" means to place an alcoholic product before an individual.

635 [~~(H6)~~] (117) "Sexually oriented entertainer" means a person who while in a state of
636 seminudity appears at or performs:

- 637 (a) for the entertainment of one or more patrons;
- 638 (b) on the premises of:
 - 639 (i) a bar licensee; or
 - 640 (ii) a tavern;
- 641 (c) on behalf of or at the request of the licensee described in Subsection [~~(H6)~~]
642 (117)(b);
- 643 (d) on a contractual or voluntary basis; and
- 644 (e) whether or not the person is designated as:
 - 645 (i) an employee;
 - 646 (ii) an independent contractor;
 - 647 (iii) an agent of the licensee; or

648 (iv) a different type of classification.

649 [~~(117)~~] (118) "Shared seating area" means the licensed premises of two or more
650 restaurant licensees that the restaurant licensees share as an area for alcoholic beverage
651 consumption in accordance with Subsection [32B-5-207\(3\)](#).

652 [~~(118)~~] (119) "Single event permit" means a permit issued in accordance with Chapter
653 9, Part 3, Single Event Permit.

654 [~~(119)~~] (120) "Small brewer" means a brewer who manufactures less than 60,000
655 barrels of beer, heavy beer, and flavored malt beverages per year.

656 [~~(120)~~] (121) "Small or unincorporated locality" means:

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

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

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

661 [~~(121)~~] (122) "Special use permit" means a permit issued in accordance with Chapter
662 10, Special Use Permit Act.

663 [~~(122)~~] (123) (a) "Spirituous liquor" means liquor that is distilled.

664 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
665 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

666 [~~(123)~~] (124) "Sports center" is as defined by the commission by rule.

667 [~~(124)~~] (125) (a) "Staff" means an individual who engages in activity governed by this
668 title:

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

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

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

675 (b) "Staff" includes:

676 (i) an officer;

677 (ii) a director;

678 (iii) an employee;

- 679 (iv) personnel management;
- 680 (v) an agent of the licensee, including a managing agent;
- 681 (vi) an operator; or
- 682 (vii) a representative.

683 [~~(125)~~] (126) "State of nudity" means:

- 684 (a) the appearance of:
 - 685 (i) the nipple or areola of a female human breast;
 - 686 (ii) a human genital;
 - 687 (iii) a human pubic area; or
 - 688 (iv) a human anus; or
- 689 (b) a state of dress that fails to opaquely cover:
 - 690 (i) the nipple or areola of a female human breast;
 - 691 (ii) a human genital;
 - 692 (iii) a human pubic area; or
 - 693 (iv) a human anus.

694 [~~(126)~~] (127) "State of seminudity" means a state of dress in which opaque clothing
695 covers no more than:

- 696 (a) the nipple and areola of the female human breast in a shape and color other than the
697 natural shape and color of the nipple and areola; and
- 698 (b) the human genitals, pubic area, and anus:
 - 699 (i) with no less than the following at its widest point:
 - 700 (A) four inches coverage width in the front of the human body; and
 - 701 (B) five inches coverage width in the back of the human body; and
 - 702 (ii) with coverage that does not taper to less than one inch wide at the narrowest point.

703 [~~(127)~~] (128) (a) "State store" means a facility for the sale of packaged liquor:

- 704 (i) located on premises owned or leased by the state; and
- 705 (ii) operated by a state employee.
- 706 (b) "State store" does not include:
 - 707 (i) a package agency;
 - 708 (ii) a licensee; or
 - 709 (iii) a permittee.

710 [~~(128)~~] (129) (a) "Storage area" means an area on licensed premises where the licensee
711 stores an alcoholic product.

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

713 [~~(129)~~] (130) "Sublicense" means:

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

716 (i) a full-service restaurant license;

717 (ii) a limited-service restaurant license;

718 (iii) a bar establishment license;

719 (iv) an on-premise banquet license;

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

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

722 (vii) a hospitality amenity license; or

723 (b) a resort spa sublicense.

724 [~~(130)~~] (131) "Supplier" means a person who sells an alcoholic product to the
725 department.

726 [~~(131)~~] (132) "Tavern" means an on-premise beer retailer who is:

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

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

731 [~~(132)~~] (133) "Temporary beer event permit" means a permit issued in accordance with
732 Chapter 9, Part 4, Temporary Beer Event Permit.

733 [~~(133)~~] (134) "Temporary domicile" means the principal place of abode within Utah of
734 a person who does not have a present intention to continue residency within Utah permanently
735 or indefinitely.

736 [~~(134)~~] (135) "Translucent" means a substance that allows light to pass through, but
737 does not allow an object or person to be seen through the substance.

738 [~~(135)~~] (136) "Unsaleable liquor merchandise" means a container that:

739 (a) is unsaleable because the container is:

740 (i) unlabeled;

- 741 (ii) leaky;
- 742 (iii) damaged;
- 743 (iv) difficult to open; or
- 744 (v) partly filled;
- 745 (b) (i) has faded labels or defective caps or corks;
- 746 (ii) has contents that are:
 - 747 (A) cloudy;
 - 748 (B) spoiled; or
 - 749 (C) chemically determined to be impure; or
- 750 (iii) contains:
 - 751 (A) sediment; or
 - 752 (B) a foreign substance; or
- 753 (c) is otherwise considered by the department as unfit for sale.
- 754 ~~[(136)]~~ (137) (a) "Wine" means an alcoholic product obtained by the fermentation of
- 755 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or
- 756 not another ingredient is added.
 - 757 (b) "Wine" includes:
 - 758 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.
 - 759 4.10; and
 - 760 (ii) hard cider.
 - 761 (c) "Wine" is considered liquor for purposes of this title, except as otherwise provided
 - 762 in this title.
- 763 ~~[(137)]~~ (138) "Winery manufacturing license" means a license issued in accordance
- 764 with Chapter 11, Part 3, Winery Manufacturing License.
- 765 Section 2. Section **32B-1-208** is amended to read:
- 766 **32B-1-208. Percentage lease agreements.**
 - 767 (1) As used in this section:
 - 768 (a) "Percentage lease agreement" means a lease agreement in which the lessee:
 - 769 (i) is a retail licensee; and
 - 770 (ii) pays the lessor:
 - 771 (A) a base rent; and

772 (B) percentage rent.

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

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

775 (ii) of the total sales revenue that:

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

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

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

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

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

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

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

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

791 (5) (a) The provisions of this section do not apply to a percentage lease agreement in
792 which the lessee is an airport lounge licensee.

793 (b) Nothing in this title prohibits an airport lounge licensee from entering into a
794 percentage lease agreement, regardless of the percentage rent specified in the percentage lease
795 agreement.

796 Section 3. Section **32B-6-503** is amended to read:

797 **32B-6-503. Commission's power to issue airport lounge license.**

798 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
799 an alcoholic product on its premises as an airport lounge licensee, the person shall first obtain
800 an airport lounge license from the commission in accordance with this part.

801 (2) The commission may issue an airport lounge license to establish airport lounge
802 licensed premises beyond the security point at an international airport and in the numbers the

803 commission considers proper for the storage, sale, offer for sale, furnishing, and consumption
804 of an alcoholic product on licensed premises operated as an airport lounge.

805 (3) ~~[(a)]~~ The commission may not issue ~~[a total number of]~~ more than 13 airport lounge
806 licenses for an international airport ~~[that]~~ at any time ~~[exceed one airport lounge license for~~
807 ~~each 1,750,000 of total passengers at the international airport].~~

808 ~~[(b) Notwithstanding Subsection (3)(a), the commission may not reduce the total~~
809 ~~number of airport lounge licenses unless:]~~

810 ~~[(i) the commission determines that the number of total passengers is reduced by more~~
811 ~~than 25% from the last day on which the commission determined the total number of airport~~
812 ~~lounge licenses allowed for that international airport under this Subsection (3); and]~~

813 ~~[(ii) the reduction can be accomplished without the international airport terminating a~~
814 ~~lease for an airport lounge before:]~~

815 ~~[(A) the expiration of the lease;]~~

816 ~~[(B) the airport lounge undergoes a change of ownership; or]~~

817 ~~[(C) the airport lounge ceases operations.]~~

818 Section 4. Section **32B-17-102** is enacted to read:

819 **32B-17-102. Definitions.**

820 As used in this chapter:

821 (1) "Airport licensee" means a person who holds a valid:

822 (a) retail license for premises located at an international airport; or

823 (b) special use permit for premises located at an international airport.

824 (2) "Central receiving and distribution center" means a facility that:

825 (a) operates at an international airport;

826 (b) receives goods and supplies delivered to the international airport for an airport

827 licensee;

828 (c) screens the goods and supplies described in Subsection (3)(b) for security purposes;

829 and

830 (d) distributes the goods and supplies described in Subsection (3)(b) to the airport

831 licensee for whom the goods and supplies were delivered.

832 Section 5. Section **32B-17-201** is amended to read:

833 **32B-17-201. Commission's power to issue liquor transport license.**

834 (1) (a) ~~[Before a person other than the retail licensee may pick up and deliver liquor to~~
835 ~~a retail licensee, the person]~~ A person who is not a retail licensee shall obtain a liquor transport
836 license issued by the commission in accordance with this chapter[-:] before the person may:

837 (i) pickup liquor on behalf of a retail licensee and deliver the liquor to a retail licensee
838 or a central receiving and distribution center; or

839 (ii) if the person is a central receiving and distribution center:

840 (A) pickup liquor on behalf of an airport licensee and deliver the liquor to the central
841 receiving and distribution center's premises; or

842 (B) receive, screen, store, or deliver alcoholic product as part of the central receiving
843 and distribution center's operations.

844 (b) A violation of Subsection (1)(a) is a class A misdemeanor.

845 (2) The commission may issue a liquor transport license for ~~[the pickup and delivery of~~
846 ~~liquor to a retail licensee.]:~~

847 (a) the pickup of liquor on behalf of a retail licensee and the delivery of the liquor to
848 the retail licensee or a central receiving and distribution center; or

849 (b) the receipt, screening, storage, and distribution of alcoholic product by a central
850 receiving and distribution center.

851 (3) ~~[A]~~ In accordance with this chapter, a liquor transport license entitles the holder to:

852 (a) (i) pickup liquor from a package agency or state store on behalf of a retail licensee
853 using the retail licensee's funds; and

854 ~~[(b)]~~ (ii) transport and deliver the liquor directly to [a]:

855 (A) the retail licensee[-:]; or

856 (B) if the retail licensee is an airport licensee, a central receiving and distribution
857 center; or

858 (b) if the holder is a central receiving and distribution center:

859 (i) (A) pickup liquor from a package agency or state store on behalf of an airport
860 licensee using the airport licensee's funds; and

861 (B) transport the liquor directly to the central receiving and distribution center's
862 premises for screening, storage, and delivery to the airport licensee;

863 (ii) receive at the central receiving and distribution center's premises:

864 (A) liquor purchased by or on behalf of an airport licensee and delivered to the central

865 receiving and distribution center by the airport licensee or a liquor transport licensee; or
 866 (B) beer delivered to the central receiving and distribution center for an airport licensee
 867 by a beer wholesaler licensee or a small brewer;
 868 (iii) screen and store alcoholic product picked up or received by the central receiving
 869 and distribution center; and
 870 (iv) transport and deliver the alcoholic product to the airport licensee.

871 (4) Nothing in this chapter prohibits a retail licensee from picking up liquor purchased
 872 by the retail licensee and transporting the liquor to the retail licensee's licensed premises in
 873 accordance with the other provisions of this title.

874 Section 6. Section **32B-17-202** is amended to read:

875 **32B-17-202. Application requirements for liquor transport license.**

876 To obtain a liquor transport license, a person shall submit to the department:

- 877 (1) a written application in a form prescribed by the department;
 878 (2) a nonrefundable \$300 application fee;
 879 (3) an initial license fee of \$2,300 that is refundable if the commission does not issue a
 880 liquor transport license;
 881 (4) a copy of the person's current business license;
 882 (5) a bond as specified in Section [32B-17-206](#);
 883 (6) evidence that the person carries liability insurance in an amount and form
 884 satisfactory to the department; [~~and~~]
 885 (7) if the person is a central receiving and distribution center:
 886 (a) a floor plan of each premises where the central receiving and distribution center
 887 proposes to receive, screen, store, or deliver alcoholic product;
 888 (b) a statement of the number of airport licensees for which the central receiving and
 889 distribution center proposes to provide services under the liquor transport license; and
 890 (c) a signed consent form stating that the central receiving and distribution center will
 891 permit any authorized representative of the commission or the department or a law enforcement
 892 officer to have unrestricted right to enter the central receiving and distribution center's
 893 premises, in compliance with applicable federal security procedures; and
 894 [~~(7)~~] (8) any other information the commission or department[~~may require~~] requires.

895 Section 7. Section **32B-17-203** is amended to read:

896 **32B-17-203. Renewal requirements for liquor transport license.**

897 (1) A liquor transport license expires on May 31 of each year.

898 (2) To renew a liquor transport license, a person shall submit to the department by no
899 later then April 30 of the year in which the license expires:

900 (a) a completed renewal application in a form prescribed by the department;

901 (b) a copy of the person's current business license;

902 (c) a bond as specified in Section [32B-17-206](#);903 (d) evidence that the person carries liability insurance in an amount and form
904 satisfactory to the department;905 (e) if the person is not a central receiving and distribution center, a report that includes
906 the following information for the period since the liquor transport licensee obtained or renewed
907 a liquor transport license:908 (i) the number of deliveries the liquor transport licensee made to each type of retail
909 licensee; and910 (ii) each state store and each package agency from which the liquor transport licensee
911 picked up liquor as a liquor transport licensee;912 [~~(iii) any breakage or shrinkage; and~~]913 [~~(iv) any other information required by the department; and~~]914 (f) if the person is a central receiving and distribution center, a report that includes the
915 following information for the period since the liquor transport licensee obtained or renewed a
916 liquor transport license:917 (i) the number of times the liquor transport licensee picked up liquor on behalf of an
918 airport licensee; and919 (ii) each state store and each package agency from which the liquor transport licensee
920 picked up liquor on behalf of an airport licensee;921 (g) any other information the commission or department requires; and922 [~~(f)~~] (h) a \$1,200 renewal fee.923 (3) Failure to meet the renewal requirements described in this section results in an
924 automatic forfeiture of the liquor transport license effective on the date the existing liquor
925 transport license expires.926 Section 8. Section **32B-17-301** is amended to read:

927 **32B-17-301. General operational requirements for liquor transport license.**

928 (1) (a) A liquor transport licensee and staff of the liquor transport licensee shall comply
929 with this title and the rules of the commission.

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

932 (i) a liquor transport licensee;

933 (ii) individual staff of a liquor transport licensee; or

934 (iii) both a liquor transport licensee and staff of the liquor transport licensee.

935 (2) A liquor transport licensee may not employ a minor to handle an alcoholic product.

936 (3) A liquor transport licensee may not sell, transfer, assign, exchange, barter, give, or
937 attempt in any way to dispose of the liquor transport license to a person, regardless of whether
938 done for monetary gain.

939 (4) (a) A liquor transport licensee may not deliver [~~liquor~~] alcoholic product to a
940 person within the state except to:

941 (i) a retail licensee[~~;~~];

942 (ii) a central receiving and distribution center; or

943 (iii) if the liquor transport licensee is a central receiving and distribution center, an
944 airport licensee.

945 (b) A violation of this Subsection (4) is a class A misdemeanor.

946 (5) Alcoholic product in the possession or control of a liquor transport licensee is the
947 property of the retail licensee or airport licensee whose funds were used to purchase the
948 alcoholic product.

949 [~~(5)~~] (6) The commission may prescribe by rule, consistent with this title, the general
950 operational requirements of a liquor transport licensee.

951 Section 9. Section **32B-17-301.5** is enacted to read:

952 **32B-17-301.5. Additional operational requirements for liquor transport license**
953 **held by a central receiving and distribution center.**

954 (1) A liquor transport licensee that is a central receiving and distribution center shall
955 establish a secure process for:

956 (a) receiving alcoholic product from airport licensees, liquor transport licensees, beer
957 wholesaler licensees, and small brewers at the central receiving and distribution center's

958 premises;
959 (b) screening and storing alcoholic product the central receiving and distribution center
960 receives or brings to the premises; and
961 (c) delivering alcoholic product to the airport licensee that owns the alcoholic product.
962 (2) As part of the secure process described in Subsection (1), the central receiving and
963 distribution center shall:
964 (a) clearly identify and keep separate each airport licensee's alcoholic product;
965 (b) maintain alcoholic product in a locked storage area or container at all times except
966 during:
967 (i) a security screening of the alcoholic product; or
968 (ii) transportation of the alcoholic product;
969 (c) notify the receiving airport licensee when screening is complete and alcoholic
970 product is ready for delivery; and
971 (d) deliver the alcoholic product to the receiving airport licensee.
972 (3) The commission may prescribe by rule, consistent with this title, the operational
973 requirements of a liquor transport licensee that is a central receiving and distribution center.

974 Section 10. **Effective date.**

975 If approved by two-thirds of all the members elected to each house, this bill takes effect
976 upon approval by the governor, or the day following the constitutional time limit of Utah
977 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
978 the date of veto override.