

ALCOHOL LICENSE AND PERMIT AMENDMENTS

2020 SIXTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Timothy D. Hawkes

Senate Sponsor: Jerry W. Stevenson

LONG TITLE

General Description:

This bill amends provisions of the Alcohol Beverage Control Act regarding certain licenses and permits.

Highlighted Provisions:

This bill:

- ▶ delays the expiration date of certain retail licenses in the year 2020;
- ▶ adjusts percentage of annual gross receipts from the sale of alcoholic products that a reception center licensee may maintain and what is included in that percentage;
- ▶ defines "hospitality room" in relation to a public service permittee;
- ▶ allows a public service permittee operating at an international airport to change location under certain conditions;
- ▶ establishes commission power and duties in approving a public service permittee's change in location request;
- ▶ provides a repeal date for provisions regarding delayed retail license renewals; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:



28 AMENDS:

29 **32B-5-202**, as last amended by Laws of Utah 2020, Chapter 219

30 **32B-6-803**, as last amended by Laws of Utah 2020, Chapter 219

31 **32B-10-206**, as last amended by Laws of Utah 2020, Chapters 219 and 354

32 **32B-10-302**, as enacted by Laws of Utah 2010, Chapter 276

33 **32B-10-303**, as last amended by Laws of Utah 2011, Chapter 334

34 **32B-10-304**, as last amended by Laws of Utah 2011, Chapter 334

35 **63I-2-232**, as last amended by Laws of Utah 2020, Chapter 219

36 ENACTS:

37 **32B-10-305**, Utah Code Annotated 1953



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

40 Section 1. Section **32B-5-202** is amended to read:

41 **32B-5-202. Renewal requirements.**

42 (1) A retail license expires each year on the day specified in the relevant chapter or part
43 for that type of retail license.

44 (2) (a) To renew a person's retail license, a retail licensee shall, by no later than the day
45 specified in the relevant chapter or part for the type of retail license that the person seeks to
46 renew, submit:

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

48 (ii) a renewal fee in the amount specified in the relevant chapter or part for the type of
49 retail license that the person seeks to renew.

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

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

54 (ii) violated a provision of this chapter.

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

56 (3) Failure to meet the renewal requirements results in an automatic forfeiture of the
57 retail license effective on the day on which the existing retail license expires.

- 58 (4) (a) In the year 2020, the following retail licenses expire on December 22:
59 (i) a full-service restaurant license;
60 (ii) a limited-service restaurant license;
61 (iii) an airport lounge license;
62 (iv) an on-premise banquet license;
63 (v) a reception center license;
64 (vi) a resort license; and
65 (vii) a hotel license.
66 (b) To renew a license described in Subsection (4)(a) in the year 2020, a person shall:
67 (i) submit to the department on or before December 21, a completed renewal application
68 in a form the department prescribes; and
69 (ii) ensure that the department receives on or before December 21, a renewal fee in the
70 amount specified in the relevant chapter or part for the type of retail license that the person seeks
71 to renew.
72 (c) The provisions of this Subsection (4) supersede any conflicting provision of law in this
73 title.
74 Section 2. Section **32B-6-803** is amended to read:
75 **32B-6-803. Commission's power to issue reception center license.**
76 (1) Before a person may store, sell, offer for sale, or furnish an alcoholic product on the
77 person's premises as a reception center, the person shall first obtain a reception center license
78 from the commission in accordance with this part.
79 (2) The commission may issue a reception center license to establish reception center
80 licensed premises at places and in numbers the commission considers proper for the storage, sale,
81 offer for sale, furnishing, and consumption of an alcoholic product on premises operated as a
82 reception center.
83 (3) Subject to Section **32B-1-201**, the commission may not issue a total number of
84 reception center licenses that at any time exceeds the number determined by dividing the
85 population of the state by 251,693.
86 (4) The commission may not issue a reception center license for premises that do not
87 meet the proximity requirements of Section **32B-1-202**.
88 (5) (a) To be licensed as a reception center, a person [~~shall maintain at least 50%~~] may

89 not maintain more than 30% of the person's total annual gross receipts from the sale of [~~food,~~
90 ~~which does not include:~~] alcoholic products.

91 [~~(i) mix for an alcoholic product; or]~~

92 [~~(ii) a charge in connection with the furnishing of an alcoholic product.]~~

93 (b) For purposes of Subsection (5)(a):

94 (i) an alcoholic product includes:

95 (A) mix for an alcoholic product; and

96 (B) a charge in connection with the furnishing of an alcoholic product; and

97 (ii) gross receipts do not include any charge for renting a room or facility.

98 [~~(b)~~] (c) A reception center licensee shall report the information necessary to show
99 compliance with this Subsection (5) to the department on an annual basis.

100 Section 3. Section **32B-10-206** is amended to read:

101 **32B-10-206. General operational requirements for special use permit.**

102 (1) (a) A special use permittee and staff of the special use permittee shall comply with
103 this title and rules of the commission, including the relevant part of the chapter that applies to the
104 type of special use permit held by the special use permittee.

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

107 (i) a special use permittee;

108 (ii) individual staff of a special use permittee; or

109 (iii) a special use permittee and staff of the special use permittee.

110 (c) The commission may suspend or revoke a special use permit with or without cause.

111 (2) (a) If there is a conflict between this part and the relevant part under this chapter for
112 the specific type of special use permit, the relevant part under this chapter governs.

113 (b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," a special
114 use permittee may only purchase, use, store, sell, offer for sale, allow consumption, or
115 manufacture an alcoholic product authorized for the special use permit that is held by the special
116 use permittee.

117 (c) Notwithstanding that this part or the relevant part under this chapter for the type of
118 special use permit held by a special use permittee refers to "special use permittee," a person
119 involved in the purchase, use, storage, sale, offering for sale, allowing consumption, or

120 manufacture of an alcoholic product for which the special use permit is issued is subject to the
121 same requirement or prohibition.

122 (3) (a) A special use permittee shall make and maintain a record, as required by
123 commission rule, of any alcoholic product purchased, used, sold, or manufactured.

124 (b) Section [32B-1-205](#) applies to a record required to be made or maintained in
125 accordance with this Subsection (3).

126 (4) (a) Except as otherwise provided in this title, a special use permittee may not
127 purchase liquor except from a state store or package agency.

128 (b) A special use permittee may transport liquor purchased by the special use permittee in
129 accordance with this Subsection (4) from the place of purchase to the special use permittee's
130 premises.

131 (c) A special use permittee shall purchase liquor at prices set by the commission.

132 (d) When authorized by a special use permit, a special use permittee may purchase and
133 receive an alcoholic product directly from a manufacturer for a purpose that is industrial,
134 educational, scientific, or manufacturing.

135 (e) A health care facility may purchase and receive an alcoholic product directly from a
136 manufacturer for use at the health care facility.

137 (5) A special use permittee may not use, mix, store, sell, offer for sale, furnish,
138 manufacture, or allow consumption of an alcoholic product in a location other than as designated
139 in a special use permittee's:

140 (a) application[-]; or

141 (b) change of location request, as described in Section [32B-10-305](#), if:

142 (i) the special use permittee is a public service permittee; and

143 (ii) the commission approved the special use permittee's change in location request.

144 (6) Except as otherwise provided, a special use permittee may not sell, offer for sale, or
145 furnish an alcoholic product to:

146 (a) a minor;

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

148 (c) a known interdicted person; or

149 (d) a known habitual drunkard.

150 (7) A special use permittee may not employ a minor to handle an alcoholic product.

151 (8) (a) The location specified in a special use permit may not be transferred from one
152 location to another location, except as provided in Chapter 8a, Transfer of Alcohol License Act.

153 (b) A special use permittee may not sell, transfer, assign, exchange, barter, give, or
154 attempt in any way to dispose of the permit to another person whether for monetary gain or not,
155 except as provided in Chapter 8a, Transfer of Alcohol License Act.

156 (9) A special use permittee may not purchase, use, mix, store, sell, offer for sale, furnish,
157 consume, or manufacture an alcoholic product for a purpose other than that authorized by the
158 special use permit.

159 (10) The commission may prescribe by policy or rule consistent with this title, the general
160 operational requirements of a special use permittee relating to:

161 (a) physical facilities;

162 (b) conditions of purchase, use, storage, sale, consumption, or manufacture of an alcoholic
163 product;

164 (c) purchase, storage, and sales quantity limitations; and

165 (d) other matters considered appropriate by the commission.

166 Section 4. Section **32B-10-302** is amended to read:

167 **32B-10-302. Definitions.**

168 ~~[Reserved]~~ As used in this part, "hospitality room" means a room or facility:

169 (1) that a public service permittee operates; and

170 (2) in which an alcoholic product is sold, offered for sale, furnished, or consumed.

171 Section 5. Section **32B-10-303** is amended to read:

172 **32B-10-303. Specific application and renewal requirements for public service**
173 **permit.**

174 (1) To obtain a public service permit, in addition to complying with Section **32B-10-202**, a
175 person shall submit to the department:

176 (a) a statement of the total of regularly numbered flights, trains, buses, boats, or other
177 types of public conveyance for which the person plans to use the special use permit;

178 (b) a floor plan of any room or facility in which the person plans to establish a hospitality
179 room ~~[where the sale, offer for sale, or furnishing of an alcoholic product is made to a patron then~~
180 ~~in transit, using the host company's airline, railroad, bus, boat, or other public conveyance]; and~~

181 (c) evidence of proximity of a proposed hospitality room to the arrival and departure area
182 used by a person traveling on the [~~host company's~~] person's airline, railroad, bus, boat, or other
183 public conveyance.

184 (2) (a) The nonrefundable application fee for a public service permit is \$75.

185 (b) The initial permit fee for a public service permit is \$250.

186 (c) The bond amount required for a public service permittee is the penal sum of \$1,000.

187 (3) (a) To renew a public service permit, a person shall comply with Section 32B-10-203.

188 (b) The renewal fee for a public service permit is \$30 for each regularly numbered
189 passenger airplane flight, passenger train, bus, boat, or any other regularly scheduled public
190 conveyance upon which an alcoholic product is sold, offered for sale, or furnished.

191 Section 6. Section 32B-10-304 is amended to read:

192 **32B-10-304. Specific operational requirements for a public service permit.**

193 (1) (a) In addition to complying with Section 32B-10-206, a public service permittee and
194 staff of the public service permittee shall comply with this section.

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

197 (i) a public service permittee;

198 (ii) individual staff of a public service permittee; or

199 (iii) both a public service permittee and staff of the public service permittee.

200 (2) (a) A public service permittee whose public conveyances operate on an interstate
201 basis may do the following:

202 (i) purchase an alcoholic product outside of the state;

203 (ii) bring an alcoholic product purchased outside of the state into the state; and

204 (iii) sell, offer for sale, and furnish an alcoholic product purchased outside of the state to a
205 passenger traveling on the public service permittee's public conveyance for consumption while en
206 route on the public conveyance.

207 (b) A public service permittee whose public conveyance operates solely within the state,
208 to sell, offer for sale, or furnish to a passenger traveling on the public service permittee's public
209 conveyance for consumption while en route on the public conveyance, shall purchase:

210 (i) liquor from a state store or package agency; and

211 (ii) beer from a beer wholesaler licensee.

212 (3) (a) A public service permittee may establish a hospitality room [~~in which an alcoholic~~
213 ~~product may be stored, sold, offered for sale, furnished, and consumed~~], if:

214 (i) the room is located within a depot, terminal, or similar facility adjacent to and servicing
215 the public service permittee's airline, railroad, bus, boat, or other public conveyance;

216 (ii) the room is completely enclosed and the interior is not visible to the public;

217 (iii) the sale, offer for sale, or furnishing of an alcoholic product is made only to a person:

218 (A) then in transit using the [~~host company's~~] public service permittee's airline, railroad,
219 bus line, or other public conveyance; and

220 (B) holding a valid boarding pass or similar travel document issued by the [~~host company~~]
221 public service permittee; and

222 (iv) (A) liquor is purchased from:

223 (I) a state store; or

224 (II) a package agency; and

225 (B) beer is purchased from a beer wholesaler licensee.

226 (b) (i) A public service permittee operating a hospitality room shall display in a prominent
227 place in the hospitality room, a sign in large letters that consists of text in the following order:

228 (A) a header that reads: "WARNING";

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

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

233 (D) a header that reads: "WARNING"; and

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

236 (ii) (A) The text described in Subsections (3)(b)(i)(A) through (C) shall be in a different
237 font style than the text described in Subsections (3)(b)(i)(D) and (E).

238 (B) The warning statements in the sign described in Subsection (3)(b)(i) shall be in the
239 same font size.

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

242 (c) A hospitality room shall be operated in accordance with this chapter and rules adopted

243 by the commission.

244 Section 7. Section **32B-10-305** is enacted to read:

245 **32B-10-305. Change in location request for a public service permit.**

246 (1) A public service permittee operating at an international airport may request a change
 247 in location within the international airport, if the international airport ~~H~~→ [requires the public
 247a service
 248 ~~permittee to relocate to another~~] and the public service permittee enter into a lease agreement
 248a enabling the public service permittee to operate at a different ←~~H~~ location within the
 248b international airport.

249 (2) To request a change in location, a public service permittee described in Subsection (1)
 250 shall, in a manner prescribed by the department, submit to the department:

251 (a) a statement of the total number of regularly numbered flights for which the public
 252 service permittee plans to use the special use permit;

253 (b) a floor plan of any room or facility in which the public service permittee plans to
 254 establish a hospitality room;

255 (c) evidence of the proximity of each proposed hospitality room to the arrival and
 256 departure area used by a person traveling the public service permittee's airline; and

257 (d) any other information the department requires.

258 (3) (a) Before approving a public service permittee's request to change location at an
 259 international airport, the commission shall:

260 (i) determine that the public service permittee filed a complete change in location request,
 261 as described in Subsection (2);

262 (ii) determine that the public service permittee is in compliance with this chapter and part;

263 (iii) consider the physical characteristics of the premises where an alcoholic product is
 264 proposed to be used, mixed, stored, sold, offered for sale, or furnished, including:

265 (A) the conditions of the premises;

266 (B) public visibility; and

267 (C) safety considerations; and

268 (iv) consider any other factor the commission considers necessary.

269 (b) The commission may delegate to the department:

270 (i) the authority to approve a change in location for a public service permittee at an
 271 international airport; and

272 (ii) the duties described in this Subsection (3).

273 (4) ~~H~~→ [Upon commission approval of] (a) Within 30 days after the day on which the
 273a commission approves ←~~H~~ the public service permittee's request to change

274 location, the public service permittee shall ~~H~~→ :

274a (i) cease all operations at the public service permittee's current location within the
 274b international airport; and

274c (ii) ←H move H→ all operations ←H to the newly approved location within the
 275 international airport.

275a ~~H~~→ (b) During the 30-day period described in Subsection (4)(a), a public service
 275b permittee may not:

275c (i) sell, offer for sale, furnish, or allow the consumption of an alcoholic product at the
 275d original and newly approved location within the international airport at the same time; or

275e (ii) store an alcoholic product at the original and newly approved location within the
 275f international airport for more than 72 hours. ←H

276 Section 8. Section **63I-2-232** is amended to read:

277 **63I-2-232. Repeal dates -- Title 32B.**

278 (1) Subsection **32B-1-102(9)** is repealed July 1, 2022.

279 (2) Subsection **32B-1-407(3)(d)** is repealed July 1, 2022.

280 (3) Section **32B-2-211.1** is repealed November 1, 2020.

281 (4) Subsection **32B-5-202(4)**, which addresses license renewal during 2020, is repealed
 282 January 1, 2021.

283 [~~4~~] (5) Subsections **32B-6-202(3)** and (4) are repealed July 1, 2022.

284 [~~5~~] (6) Section **32B-6-205** is repealed July 1, 2022.

285 [~~6~~] (7) Subsection **32B-6-205.2(16)** is repealed July 1, 2022.

286 [~~7~~] (8) Section **32B-6-205.3** is repealed July 1, 2022.

287 [~~8~~] (9) Subsections **32B-6-302(3)** and (4) are repealed July 1, 2022.

288 [~~9~~] (10) Section **32B-6-305** is repealed July 1, 2022.

289 [~~10~~] (11) Subsection **32B-6-305.2(15)** is repealed July 1, 2022.

290 [~~11~~] (12) Section **32B-6-305.3** is repealed July 1, 2022.

291 [~~12~~] (13) Section **32B-6-404.1** is repealed July 1, 2022.

292 [~~13~~] (14) Section **32B-6-409** is repealed July 1, 2022.

293 [~~14~~] (15) Subsection **32B-6-703(2)(e)(iv)** is repealed July 1, 2022.

294 [~~15~~] (16) Subsections **32B-6-902(1)(c)**, (1)(d), and (2) are repealed July 1, 2022.

295 [~~16~~] (17) Section **32B-6-905** is repealed July 1, 2022.

296 [~~17~~] (18) Subsection **32B-6-905.1(15)** is repealed July 1, 2022.

297 [~~18~~] (19) Section **32B-6-905.2** is repealed July 1, 2022.

298 [~~19~~] (20) Subsection **32B-8d-104(3)** is repealed July 1, 2022.

299 Section 9. **Effective date.**

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