

ALCOHOL RESTRICTIONS AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: _____

LONG TITLE

General Description:

This bill permits a package agency located on the licensed premises of a brewery manufacturing licensee to sell beer manufactured on the premises.

Highlighted Provisions:

This bill:

- ▶ amends the definition of "package agency";
- ▶ permits the Department of Alcoholic Beverage Control to enter into a package agency agreement with a person to sell, offer for sale, or furnish beer manufactured on the licensed premises of a brewery manufacturing licensee;
- ▶ amends provisions regarding the unlawful sale or furnishing of beer to allow a package agency on the licensed premises of a brewery manufacturing licensee to sell beer manufactured on the premises;
- ▶ permits a retail licensee to purchase, acquire, possess for the purpose of resale, or sell beer purchased from a package agency located on the licensed premises of a brewery manufacturing licensee and manufactured on the premises;
- ▶ permits an on-premise beer retailer to purchase, acquire, possess for the purpose of resale, or sell beer purchased from a package agency located on the licensed premises of a brewery manufacturing licensee and manufactured on the premises;
- ▶ permits an off-premise beer retailer to purchase, acquire, possess for the purpose of resale, or sell beer purchased from a package agency located on the licensed



28 premises of a brewery manufacturing licensee and manufactured on the premises;
 29 ▶ permits an event permittee to sell, offer for sale, or furnish beer purchased from a
 30 package agency located on the licensed premises of a brewery manufacturing
 31 licensee and manufactured on the premises; and
 32 ▶ makes technical and conforming changes.

33 **Money Appropriated in this Bill:**

34 None

35 **Other Special Clauses:**

36 None

37 **Utah Code Sections Affected:**

38 AMENDS:

- 39 **32B-1-102**, as last amended by Laws of Utah 2021, Chapter 291
- 40 **32B-2-601**, as last amended by Laws of Utah 2011, Chapter 307
- 41 **32B-2-602**, as last amended by Laws of Utah 2011, Chapters 307 and 334
- 42 **32B-2-604**, as last amended by Laws of Utah 2021, Chapter 291
- 43 **32B-2-605**, as last amended by Laws of Utah 2021, Chapter 291
- 44 **32B-4-401**, as last amended by Laws of Utah 2016, Chapter 266
- 45 **32B-5-303**, as last amended by Laws of Utah 2019, Chapter 403
- 46 **32B-6-706**, as last amended by Laws of Utah 2017, Chapter 455
- 47 **32B-7-202**, as last amended by Laws of Utah 2019, Chapter 403
- 48 **32B-9-204**, as last amended by Laws of Utah 2020, Chapter 291
- 49 **32B-13-201**, as last amended by Laws of Utah 2011, Chapter 334

50

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

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

53 **32B-1-102. Definitions.**

54 As used in this title:

- 55 (1) "Airport lounge" means a business location:
 - 56 (a) at which an alcoholic product is sold at retail for consumption on the premises; and
 - 57 (b) that is located at an international airport.
- 58 (2) "Airport lounge license" means a license issued in accordance with Chapter 5,

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

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

61 (a) beer; or

62 (b) liquor.

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

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

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

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

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

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

72 (ii) vinegar;

73 (iii) preserved nonintoxicating cider;

74 (iv) essence;

75 (v) tincture;

76 (vi) food preparation; or

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

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

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

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

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

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

84 (a) that is managed by:

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

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

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

90 (b) that operates as a venue; and

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

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

94 (8) "Banquet" means an event:

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

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

98 (i) a hotel;

99 (ii) a resort facility;

100 (iii) a sports center;

101 (iv) a convention center;

102 (v) a performing arts facility; or

103 (vi) an arena;

104 (c) for which there is a contract:

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

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

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

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

112 (a) stored; or

113 (b) dispensed.

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

116 (b) "Bar establishment license" includes:

117 (i) a dining club license;

118 (ii) an equity license;

119 (iii) a fraternal license; or

120 (iv) a bar license.

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

123 (12) (a) Subject to Subsection (12)(d), "beer" means a product that:

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

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

127 (b) "Beer" may or may not contain hops or other vegetable products.

128 (c) "Beer" includes a product that:

129 (i) contains alcohol in the percentages described in Subsection (12)(a); and

130 (ii) is referred to as:

131 (A) beer;

132 (B) ale;

133 (C) porter;

134 (D) stout;

135 (E) lager; or

136 (F) a malt or malted beverage.

137 (d) "Beer" does not include a flavored malt beverage.

138 (13) "Beer-only restaurant license" means a license issued in accordance with Chapter
139 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.

140 (14) "Beer retailer" means a business that:

141 (a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
142 for consumption on or off the business premises; and

143 (b) is licensed as:

144 (i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
145 Retailer Local Authority; or

146 (ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
147 Chapter 6, Part 7, On-Premise Beer Retailer License.

148 (15) "Beer wholesaling license" means a license:

149 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and

150 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
151 retail licensees or off-premise beer retailers.

152 (16) "Billboard" means a public display used to advertise, including:

153 (a) a light device;

154 (b) a painting;

155 (c) a drawing;

156 (d) a poster;

157 (e) a sign;

158 (f) a signboard; or

159 (g) a scoreboard.

160 (17) "Brewer" means a person engaged in manufacturing:

161 (a) beer;

162 (b) heavy beer; or

163 (c) a flavored malt beverage.

164 (18) "Brewery manufacturing license" means a license issued in accordance with
165 Chapter 11, Part 5, Brewery Manufacturing License.

166 (19) "Certificate of approval" means a certificate of approval obtained from the
167 department under Section [32B-11-201](#).

168 (20) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
169 a bus company to a group of persons pursuant to a common purpose:

170 (a) under a single contract;

171 (b) at a fixed charge in accordance with the bus company's tariff; and

172 (c) to give the group of persons the exclusive use of the passenger bus, coach, or other
173 motor vehicle, and a driver to travel together to one or more specified destinations.

174 (21) "Church" means a building:

175 (a) set apart for worship;

176 (b) in which religious services are held;

177 (c) with which clergy is associated; and

178 (d) that is tax exempt under the laws of this state.

179 (22) "Commission" means the Alcoholic Beverage Control Commission created in
180 Section [32B-2-201](#).

181 (23) "Commissioner" means a member of the commission.

182 (24) "Community location" means:

- 183 (a) a public or private school;
- 184 (b) a church;
- 185 (c) a public library;
- 186 (d) a public playground; or
- 187 (e) a public park.
- 188 (25) "Community location governing authority" means:
- 189 (a) the governing body of the community location; or
- 190 (b) if the commission does not know who is the governing body of a community
- 191 location, a person who appears to the commission to have been given on behalf of the
- 192 community location the authority to prohibit an activity at the community location.
- 193 (26) "Container" means a receptacle that contains an alcoholic product, including:
- 194 (a) a bottle;
- 195 (b) a vessel; or
- 196 (c) a similar item.
- 197 (27) "Controlled group of breweries" means as the commission defines by rule made in
- 198 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- 199 (28) "Convention center" means a facility that is:
- 200 (a) in total at least 30,000 square feet; and
- 201 (b) otherwise defined as a "convention center" by the commission by rule.
- 202 (29) (a) "Counter" means a surface or structure in a dining area of a licensed premises
- 203 where seating is provided to a patron for service of food.
- 204 (b) "Counter" does not include a dispensing structure.
- 205 (30) "Crime involving moral turpitude" is as defined by the commission by rule.
- 206 (31) "Department" means the Department of Alcoholic Beverage Control created in
- 207 Section [32B-2-203](#).
- 208 (32) "Department compliance officer" means an individual who is:
- 209 (a) an auditor or inspector; and
- 210 (b) employed by the department.
- 211 (33) "Department sample" means liquor that is placed in the possession of the
- 212 department for testing, analysis, and sampling.
- 213 (34) "Dining club license" means a license issued in accordance with Chapter 5, Retail

214 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
215 commission as a dining club license.

216 (35) "Director," unless the context requires otherwise, means the director of the
217 department.

218 (36) "Disciplinary proceeding" means an adjudicative proceeding permitted under this
219 title:

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

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

222 (37) (a) Subject to Subsection (37)(b), "dispense" means:

223 (i) drawing an alcoholic product; and

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

226 (b) The definition of "dispense" in this Subsection (37) applies only to:

227 (i) a full-service restaurant license;

228 (ii) a limited-service restaurant license;

229 (iii) a reception center license;

230 (iv) a beer-only restaurant license;

231 (v) a bar license;

232 (vi) an on-premise beer retailer;

233 (vii) an airport lounge license;

234 (viii) an on-premise banquet license; and

235 (ix) a hospitality amenity license.

236 (38) "Dispensing structure" means a surface or structure on a licensed premises:

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

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

239 (39) "Distillery manufacturing license" means a license issued in accordance with
240 Chapter 11, Part 4, Distillery Manufacturing License.

241 (40) "Distressed merchandise" means an alcoholic product in the possession of the
242 department that is saleable, but for some reason is unappealing to the public.

243 (41) "Equity license" means a license issued in accordance with Chapter 5, Retail
244 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the

245 commission as an equity license.

246 (42) "Event permit" means:

247 (a) a single event permit; or

248 (b) a temporary beer event permit.

249 (43) "Exempt license" means a license exempt under Section [32B-1-201](#) from being
250 considered in determining the total number of retail licenses that the commission may issue at
251 any time.

252 (44) (a) "Flavored malt beverage" means a beverage:

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

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

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

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

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

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

263 (45) "Fraternal license" means a license issued in accordance with Chapter 5, Retail
264 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
265 commission as a fraternal license.

266 (46) "Full-service restaurant license" means a license issued in accordance with
267 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.

268 (47) (a) "Furnish" means by any means to provide with, supply, or give an individual
269 an alcoholic product, by sale or otherwise.

270 (b) "Furnish" includes to:

271 (i) serve;

272 (ii) deliver; or

273 (iii) otherwise make available.

274 (48) "Guest" means an individual who meets the requirements of Subsection
275 [32B-6-407\(9\)](#).

- 276 (49) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.
- 277 (50) "Health care practitioner" means:
- 278 (a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;
- 279 (b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;
- 280 (c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;
- 281 (d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice
- 282 Act;
- 283 (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,
- 284 Nurse Practice Act;
- 285 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
- 286 Practice Act;
- 287 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
- 288 Therapy Practice Act;
- 289 (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;
- 290 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health
- 291 Professional Practice Act;
- 292 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
- 293 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
- 294 Practice Act;
- 295 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
- 296 Hygienist Practice Act; and
- 297 (m) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician
- 298 Assistant Act.
- 299 (51) (a) "Heavy beer" means a product that:
- 300 (i) contains more than 5% alcohol by volume; and
- 301 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- 302 (b) "Heavy beer" is considered liquor for the purposes of this title.
- 303 (52) "Hospitality amenity license" means a license issued in accordance with Chapter
- 304 5, Retail License Act, and Chapter 6, Part 10, Hospitality Amenity License.
- 305 (53) (a) "Hotel" means a commercial lodging establishment that:
- 306 (i) offers at least 40 rooms as temporary sleeping accommodations for compensation;

307 (ii) is capable of hosting conventions, conferences, and food and beverage functions
308 under a banquet contract; and

309 (iii) (A) has adequate kitchen or culinary facilities on the premises to provide complete
310 meals;

311 (B) has at least 1,000 square feet of function space consisting of meeting or dining
312 rooms that can be reserved for private use under a banquet contract and can accommodate at
313 least 75 individuals; or

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

317 (b) "Hotel" includes a commercial lodging establishment that:

318 (i) meets the requirements under Subsection (53)(a); and

319 (ii) has one or more privately owned dwelling units.

320 (54) "Hotel license" means a license issued in accordance with Chapter 5, Retail
321 License Act, and Chapter 8b, Hotel License Act.

322 (55) "Identification card" means an identification card issued under Title 53, Chapter 3,
323 Part 8, Identification Card Act.

324 (56) "Industry representative" means an individual who is compensated by salary,
325 commission, or other means for representing and selling an alcoholic product of a
326 manufacturer, supplier, or importer of liquor.

327 (57) "Industry representative sample" means liquor that is placed in the possession of
328 the department for testing, analysis, and sampling by a local industry representative on the
329 premises of the department to educate the local industry representative of the quality and
330 characteristics of the product.

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

333 (a) law; or

334 (b) court order.

335 (59) "International airport" means an airport:

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

- 338 (b) at which international flights may enter and depart.
- 339 (60) "Intoxicated" means that a person:
- 340 (a) is significantly impaired as to the person's mental or physical functions as a result of
- 341 the use of:
- 342 (i) an alcoholic product;
- 343 (ii) a controlled substance;
- 344 (iii) a substance having the property of releasing toxic vapors; or
- 345 (iv) a combination of Subsections (60)(a)(i) through (iii); and
- 346 (b) exhibits plain and easily observed outward manifestations of behavior or physical
- 347 signs produced by the overconsumption of an alcoholic product.
- 348 (61) "Investigator" means an individual who is:
- 349 (a) a department compliance officer; or
- 350 (b) a nondepartment enforcement officer.
- 351 (62) "License" means:
- 352 (a) a retail license;
- 353 (b) a sublicense;
- 354 (c) a license issued in accordance with Chapter 11, Manufacturing and Related
- 355 Licenses Act;
- 356 (d) a license issued in accordance with Chapter 12, Liquor Warehousing License Act;
- 357 (e) a license issued in accordance with Chapter 13, Beer Wholesaling License Act; or
- 358 (f) a license issued in accordance with Chapter 17, Liquor Transport License Act.
- 359 (63) "Licensee" means a person who holds a license.
- 360 (64) "Limited-service restaurant license" means a license issued in accordance with
- 361 Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.
- 362 (65) "Limousine" means a motor vehicle licensed by the state or a local authority, other
- 363 than a bus or taxicab:
- 364 (a) in which the driver and a passenger are separated by a partition, glass, or other
- 365 barrier;
- 366 (b) that is provided by a business entity to one or more individuals at a fixed charge in
- 367 accordance with the business entity's tariff; and
- 368 (c) to give the one or more individuals the exclusive use of the limousine and a driver

369 to travel to one or more specified destinations.

370 (66) (a) (i) "Liquor" means a liquid that:

371 (A) is:

372 (I) alcohol;

373 (II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;

374 (III) a combination of liquids a part of which is spirituous, vinous, or fermented; or

375 (IV) other drink or drinkable liquid; and

376 (B) (I) contains at least .5% alcohol by volume; and

377 (II) is suitable to use for beverage purposes.

378 (ii) "Liquor" includes:

379 (A) heavy beer;

380 (B) wine; and

381 (C) a flavored malt beverage.

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

383 (67) "Liquor Control Fund" means the enterprise fund created by Section [32B-2-301](#).

384 (68) "Liquor transport license" means a license issued in accordance with Chapter 17,

385 Liquor Transport License Act.

386 (69) "Liquor warehousing license" means a license that is issued:

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

388 (b) to a person, other than a licensed manufacturer, who engages in the importation for

389 storage, sale, or distribution of liquor regardless of amount.

390 (70) "Local authority" means:

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

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

395 (c) for premises that are located in a project area as defined in Section [63H-1-102](#) and
396 in a project area plan adopted by the Military Installation Development Authority under Title
397 63H, Chapter 1, Military Installation Development Authority Act, the Military Installation
398 Development Authority.

399 (71) "Lounge or bar area" is as defined by rule made by the commission.

400 (72) "Manufacture" means to distill, brew, rectify, mix, compound, process, ferment, or
401 otherwise make an alcoholic product for personal use or for sale or distribution to others.

402 (73) "Member" means an individual who, after paying regular dues, has full privileges
403 in an equity licensee or fraternal licensee.

404 (74) (a) "Military installation" means a base, air field, camp, post, station, yard, center,
405 or homeport facility for a ship:

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

407 (B) of the National Guard;

408 (ii) that is located within the state; and

409 (iii) including a leased facility.

410 (b) "Military installation" does not include a facility used primarily for:

411 (i) civil works;

412 (ii) a rivers and harbors project; or

413 (iii) a flood control project.

414 (75) "Minibar" means an area of a hotel guest room where one or more alcoholic
415 products are kept and offered for self-service sale or consumption.

416 (76) "Minor" means an individual under the age of 21 years.

417 (77) "Nondepartment enforcement agency" means an agency that:

418 (a) (i) is a state agency other than the department; or

419 (ii) is an agency of a county, city, town, or metro township; and

420 (b) has a responsibility to enforce one or more provisions of this title.

421 (78) "Nondepartment enforcement officer" means an individual who is:

422 (a) a peace officer, examiner, or investigator; and

423 (b) employed by a nondepartment enforcement agency.

424 (79) (a) "Off-premise beer retailer" means a beer retailer who is:

425 (i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and

426 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
427 premises.

428 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.

429 (80) "Off-premise beer retailer state license" means a state license issued in accordance
430 with Chapter 7, Part 4, Off-Premise Beer Retailer State License.

431 (81) "On-premise banquet license" means a license issued in accordance with Chapter
432 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.

433 (82) "On-premise beer retailer" means a beer retailer who is:

434 (a) authorized to sell, offer for sale, or furnish beer under a license issued in
435 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer
436 Retailer License; and

437 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's
438 premises:

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

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

442 (A) as a tavern; or

443 (B) in a manner that meets the requirements of Subsection 32B-6-703(2)(e)(i).

444 (83) "Opaque" means impenetrable to sight.

445 (84) "Package agency" means [~~a retail liquor~~] an alcoholic beverage retail location
446 operated:

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

448 (b) by a person:

449 (i) other than the state; and

450 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package
451 Agency, to sell packaged beer or liquor for consumption off the premises of the package
452 agency.

453 (85) "Package agent" means a person who holds a package agency.

454 (86) "Patron" means an individual to whom food, beverages, or services are sold,
455 offered for sale, or furnished, or who consumes an alcoholic product including:

456 (a) a customer;

457 (b) a member;

458 (c) a guest;

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

460 (e) an individual who receives room service;

461 (f) a resident of a resort; or

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

464 (87) (a) "Performing arts facility" means a multi-use performance space that:

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

467 (ii) contains over 2,500 seats;

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

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

470 (b) "Performing arts facility" does not include a space that is used to present sporting
471 events or sporting competitions.

472 (88) "Permittee" means a person issued a permit under:

473 (a) Chapter 9, Event Permit Act; or

474 (b) Chapter 10, Special Use Permit Act.

475 (89) "Person subject to administrative action" means:

476 (a) a licensee;

477 (b) a permittee;

478 (c) a manufacturer;

479 (d) a supplier;

480 (e) an importer;

481 (f) one of the following holding a certificate of approval:

482 (i) an out-of-state brewer;

483 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or

484 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or

485 (g) staff of:

486 (i) a person listed in Subsections (89)(a) through (f); or

487 (ii) a package agent.

488 (90) "Premises" means a building, enclosure, or room used in connection with the
489 storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic product,
490 unless otherwise defined in this title or rules made by the commission.

491 (91) "Prescription" means an order issued by a health care practitioner when:

492 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,

- 493 to prescribe a controlled substance, other drug, or device for medicinal purposes;
- 494 (b) the order is made in the course of that health care practitioner's professional
495 practice; and
- 496 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.
- 497 (92) (a) "Primary spirituous liquor" means the main distilled spirit in a beverage.
- 498 (b) "Primary spirituous liquor" does not include a secondary flavoring ingredient.
- 499 (93) "Principal license" means:
- 500 (a) a resort license;
- 501 (b) a hotel license; or
- 502 (c) an arena license.
- 503 (94) (a) "Private event" means a specific social, business, or recreational event:
- 504 (i) for which an entire room, area, or hall is leased or rented in advance by an identified
505 group; and
- 506 (ii) that is limited in attendance to people who are specifically designated and their
507 guests.
- 508 (b) "Private event" does not include an event to which the general public is invited,
509 whether for an admission fee or not.
- 510 (95) "Privately sponsored event" means a specific social, business, or recreational
511 event:
- 512 (a) that is held in or on the premises of an on-premise banquet licensee; and
- 513 (b) to which entry is restricted by an admission fee.
- 514 (96) (a) "Proof of age" means:
- 515 (i) an identification card;
- 516 (ii) an identification that:
- 517 (A) is substantially similar to an identification card;
- 518 (B) is issued in accordance with the laws of a state other than Utah in which the
519 identification is issued;
- 520 (C) includes date of birth; and
- 521 (D) has a picture affixed;
- 522 (iii) a valid driver license certificate that:
- 523 (A) includes date of birth;

- 524 (B) has a picture affixed; and
- 525 (C) is issued:
- 526 (I) under Title 53, Chapter 3, Uniform Driver License Act; or
- 527 (II) in accordance with the laws of the state in which it is issued;
- 528 (iv) a military identification card that:
- 529 (A) includes date of birth; and
- 530 (B) has a picture affixed; or
- 531 (v) a valid passport.
- 532 (b) "Proof of age" does not include a driving privilege card issued in accordance with
- 533 Section [53-3-207](#).
- 534 (97) "Provisions applicable to a sublicense" means:
- 535 (a) for a full-service restaurant sublicense, the provisions applicable to a full-service
- 536 restaurant license under Chapter 6, Part 2, Full-Service Restaurant License;
- 537 (b) for a limited-service restaurant sublicense, the provisions applicable to a
- 538 limited-service restaurant license under Chapter 6, Part 3, Limited-Service Restaurant License;
- 539 (c) for a bar establishment sublicense, the provisions applicable to a bar establishment
- 540 license under Chapter 6, Part 4, Bar Establishment License;
- 541 (d) for an on-premise banquet sublicense, the provisions applicable to an on-premise
- 542 banquet license under Chapter 6, Part 6, On-Premise Banquet License;
- 543 (e) for an on-premise beer retailer sublicense, the provisions applicable to an
- 544 on-premise beer retailer license under Chapter 6, Part 7, On-Premise Beer Retailer License;
- 545 (f) for a beer-only restaurant sublicense, the provisions applicable to a beer-only
- 546 restaurant license under Chapter 6, Part 9, Beer-Only Restaurant License;
- 547 (g) for a hospitality amenity license, the provisions applicable to a hospitality amenity
- 548 license under Chapter 6, Part 10, Hospitality Amenity License; and
- 549 (h) for a resort spa sublicense, the provisions applicable to the sublicense under
- 550 Chapter 8d, Part 2, Resort Spa Sublicense.
- 551 (98) (a) "Public building" means a building or permanent structure that is:
- 552 (i) owned or leased by:
- 553 (A) the state; or
- 554 (B) a local government entity; and

555 (ii) used for:

556 (A) public education;

557 (B) transacting public business; or

558 (C) regularly conducting government activities.

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

562 (99) "Public conveyance" means a conveyance that the public or a portion of the public
563 has access to and a right to use for transportation, including an airline, railroad, bus, boat, or
564 other public conveyance.

565 (100) "Reception center" means a business that:

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

567 (b) has as its primary purpose the leasing of the facilities described in Subsection
568 (100)(a) to a third party for the third party's event.

569 (101) "Reception center license" means a license issued in accordance with Chapter 5,
570 Retail License Act, and Chapter 6, Part 8, Reception Center License.

571 (102) (a) "Record" means information that is:

572 (i) inscribed on a tangible medium; or

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

574 (b) "Record" includes:

575 (i) a book;

576 (ii) a book of account;

577 (iii) a paper;

578 (iv) a contract;

579 (v) an agreement;

580 (vi) a document; or

581 (vii) a recording in any medium.

582 (103) "Residence" means a person's principal place of abode within Utah.

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

585 (105) "Resort" means the same as that term is defined in Section [32B-8-102](#).

586 (106) "Resort facility" is as defined by the commission by rule.

587 (107) "Resort spa sublicense" means a resort license sublicense issued in accordance
588 with Chapter 8d, Part 2, Resort Spa Sublicense.

589 (108) "Resort license" means a license issued in accordance with Chapter 5, Retail
590 License Act, and Chapter 8, Resort License Act.

591 (109) "Responsible alcohol service plan" means a written set of policies and
592 procedures that outlines measures to prevent employees from:

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

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

596 (c) serving alcoholic beverages to minors.

597 (110) "Restaurant" means a business location:

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

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

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

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

602 (a) a full-service restaurant license;

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

604 (c) a beer-only restaurant license.

605 (112) "Retail license" means one of the following licenses issued under this title:

606 (a) a full-service restaurant license;

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

608 (c) a limited-service restaurant license;

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

610 (e) a bar establishment license;

611 (f) an airport lounge license;

612 (g) an on-premise banquet license;

613 (h) an on-premise beer license;

614 (i) a reception center license;

615 (j) a beer-only restaurant license;

616 (k) a hospitality amenity license;

617 (l) a resort license;

618 (m) a hotel license; or

619 (n) an arena license.

620 (113) "Room service" means furnishing an alcoholic product to a person in a guest

621 room or privately owned dwelling unit of a:

622 (a) hotel; or

623 (b) resort facility.

624 (114) (a) "School" means a building in which any part is used for more than three

625 hours each weekday during a school year as a public or private:

626 (i) elementary school;

627 (ii) secondary school; or

628 (iii) kindergarten.

629 (b) "School" does not include:

630 (i) a nursery school;

631 (ii) a day care center;

632 (iii) a trade and technical school;

633 (iv) a preschool; or

634 (v) a home school.

635 (115) "Secondary flavoring ingredient" means any spirituous liquor added to a

636 beverage for additional flavoring that is different in type, flavor, or brand from the primary

637 spirituous liquor in the beverage.

638 (116) "Sell" or "offer for sale" means a transaction, exchange, or barter whereby, for

639 consideration, an alcoholic product is either directly or indirectly transferred, solicited, ordered,

640 delivered for value, or by a means or under a pretext is promised or obtained, whether done by

641 a person as a principal, proprietor, or as staff, unless otherwise defined in this title or the rules

642 made by the commission.

643 (117) "Serve" means to place an alcoholic product before an individual.

644 (118) "Sexually oriented entertainer" means a person who while in a state of

645 seminudity appears at or performs:

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

647 (b) on the premises of:

- 648 (i) a bar licensee; or
- 649 (ii) a tavern;
- 650 (c) on behalf of or at the request of the licensee described in Subsection (118)(b);
- 651 (d) on a contractual or voluntary basis; and
- 652 (e) whether or not the person is designated as:
 - 653 (i) an employee;
 - 654 (ii) an independent contractor;
 - 655 (iii) an agent of the licensee; or
 - 656 (iv) a different type of classification.

657 (119) "Shared seating area" means the licensed premises of two or more restaurant
658 licensees that the restaurant licensees share as an area for alcoholic beverage consumption in
659 accordance with Subsection 32B-5-207(3).

660 (120) "Single event permit" means a permit issued in accordance with Chapter 9, Part
661 3, Single Event Permit.

662 (121) "Small brewer" means a brewer who manufactures less than 60,000 barrels of
663 beer, heavy beer, and flavored malt beverage per year, as the department calculates by:

664 (a) if the brewer is part of a controlled group of breweries, including the combined
665 volume totals of production for all breweries that constitute the controlled group of breweries;
666 and

667 (b) excluding beer, heavy beer, or flavored malt beverage the brewer:

668 (i) manufactures that is unfit for consumption as, or in, a beverage, as the commission
669 determines by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
670 Rulemaking Act; and

671 (ii) does not sell for consumption as, or in, a beverage.

672 (122) "Small or unincorporated locality" means:

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

674 (b) a town, as classified under Section 10-2-301; or

675 (c) an unincorporated area in a county of the third, fourth, or fifth class, as classified
676 under Section 17-50-501.

677 (123) "Special use permit" means a permit issued in accordance with Chapter 10,
678 Special Use Permit Act.

- 679 (124) (a) "Spirituous liquor" means liquor that is distilled.
- 680 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
- 681 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.
- 682 (125) "Sports center" is as defined by the commission by rule.
- 683 (126) (a) "Staff" means an individual who engages in activity governed by this title:
- 684 (i) on behalf of a business, including a package agent, licensee, permittee, or certificate
- 685 holder;
- 686 (ii) at the request of the business, including a package agent, licensee, permittee, or
- 687 certificate holder; or
- 688 (iii) under the authority of the business, including a package agent, licensee, permittee,
- 689 or certificate holder.
- 690 (b) "Staff" includes:
- 691 (i) an officer;
- 692 (ii) a director;
- 693 (iii) an employee;
- 694 (iv) personnel management;
- 695 (v) an agent of the licensee, including a managing agent;
- 696 (vi) an operator; or
- 697 (vii) a representative.
- 698 (127) "State of nudity" means:
- 699 (a) the appearance of:
- 700 (i) the nipple or areola of a female human breast;
- 701 (ii) a human genital;
- 702 (iii) a human pubic area; or
- 703 (iv) a human anus; or
- 704 (b) a state of dress that fails to opaquely cover:
- 705 (i) the nipple or areola of a female human breast;
- 706 (ii) a human genital;
- 707 (iii) a human pubic area; or
- 708 (iv) a human anus.
- 709 (128) "State of seminudity" means a state of dress in which opaque clothing covers no

710 more than:

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

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

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

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

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

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

718 (129) (a) "State store" means a facility for the sale of packaged liquor:

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

720 (ii) operated by a state employee.

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

722 (i) a package agency;

723 (ii) a licensee; or

724 (iii) a permittee.

725 (130) (a) "Storage area" means an area on licensed premises where the licensee stores
726 an alcoholic product.

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

728 (131) "Sublicense" means:

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

731 (i) a full-service restaurant license;

732 (ii) a limited-service restaurant license;

733 (iii) a bar establishment license;

734 (iv) an on-premise banquet license;

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

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

737 (vii) a hospitality amenity license; or

738 (b) a resort spa sublicense.

739 (132) "Supplier" means a person who sells an alcoholic product to the department.

740 (133) "Tavern" means an on-premise beer retailer who is:

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

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

745 (134) "Temporary beer event permit" means a permit issued in accordance with
746 Chapter 9, Part 4, Temporary Beer Event Permit.

747 (135) "Temporary domicile" means the principal place of abode within Utah of a
748 person who does not have a present intention to continue residency within Utah permanently or
749 indefinitely.

750 (136) "Translucent" means a substance that allows light to pass through, but does not
751 allow an object or person to be seen through the substance.

752 (137) "Unsaleable liquor merchandise" means a container that:

753 (a) is unsaleable because the container is:

754 (i) unlabeled;

755 (ii) leaky;

756 (iii) damaged;

757 (iv) difficult to open; or

758 (v) partly filled;

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

760 (ii) has contents that are:

761 (A) cloudy;

762 (B) spoiled; or

763 (C) chemically determined to be impure; or

764 (iii) contains:

765 (A) sediment; or

766 (B) a foreign substance; or

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

768 (138) (a) "Wine" means an alcoholic product obtained by the fermentation of the
769 natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or not
770 another ingredient is added.

771 (b) "Wine" includes:

772 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.
773 4.10; and

774 (ii) hard cider.

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

777 (139) "Winery manufacturing license" means a license issued in accordance with
778 Chapter 11, Part 3, Winery Manufacturing License.

779 Section 2. Section **32B-2-601** is amended to read:

780 **32B-2-601. Commission's power to issue package agency.**

781 (1) (a) The commission may, when the commission considers proper, issue authority to
782 operate as a package agency by directing the department to enter into a package agency
783 agreement with a person to sell, offer for sale, or furnish;

784 (i) liquor in sealed containers from premises other than those owned or leased by the
785 state[-]; or

786 (ii) beer in sealed containers from premises other than those owned or leased by the
787 state, if:

788 (A) the premises are located on the licensed premises of a brewery manufacturing
789 licensee; and

790 (B) the person only sells, offers for sale, or furnishes beer manufactured on the
791 premises.

792 (b) The commission shall authorize a person to operate a package agency by issuing a
793 record that designates the person in charge of the package agency as a "package agent."

794 (2) (a) Subject to this Subsection (2), the commission may not issue a total number of
795 package agencies that at any time exceeds the number determined by dividing the population of
796 the state by 18,000.

797 (b) (i) The commission may issue a seasonal package agency in an area the commission
798 considers proper.

799 (ii) A seasonal package agency shall be for a period of six consecutive months.

800 (iii) A seasonal package agency issued for operation during a summer time period is
801 known as a "Seasonal A" package agency. The period of operation for a Seasonal A package
802 agency shall:

803 (A) begin on May 1; and

804 (B) end on October 31.

805 (iv) A seasonal package agency issued for operation during a winter time period is
806 known as a "Seasonal B" package agency. The period of operation for a Seasonal B package
807 agency shall:

808 (A) begin on November 1; and

809 (B) end on April 30.

810 (v) In determining the number of package agencies that the commission may issue
811 under this section:

812 (A) a seasonal package agency is counted as one-half of one package agency; and

813 (B) each Seasonal A package agency shall be paired with a Seasonal B package agency.

814 (c) (i) If the location, design, and construction of a hotel may require more than one
815 package agency sales location to serve the public convenience, the commission may authorize a
816 single package agent to sell liquor at as many as three locations within the hotel under one
817 package agency if:

818 (A) the hotel has a minimum of 150 guest rooms; and

819 (B) all locations under the package agency are:

820 (I) within the same hotel; and

821 (II) on premises that are managed or operated, and owned or leased, by the package
822 agent.

823 (ii) A facility other than a hotel shall have a separate package agency for each location
824 where liquor may be sold, offered for sale, or furnished.

825 (3) (a) A package agent, under the direction of the department, is responsible for
826 implementing and enforcing this title and the rules adopted under this title to the extent this
827 title and the rules relate to the conduct of the package agency and a package agency's sale of
828 liquor or beer.

829 (b) (i) A package agent may not be a state employee.

830 (ii) A package agent may not be construed to be a state employee or otherwise entitled
831 to any benefit of employment from the state.

832 (c) A package agent, when selling liquor or beer from a package agency, is considered
833 an agent of the state only to the extent specifically expressed in the package agency agreement.

834 (4) The commission may prescribe by rule one or more types of package agencies
835 issued under this part that are consistent with this title.

836 Section 3. Section **32B-2-602** is amended to read:

837 **32B-2-602. Application requirements for a package agency.**

838 (1) Before a person may store, sell, offer for sale, or furnish liquor or beer in a sealed
839 container on ~~[its]~~ the person's premises under a package agency, the person shall first obtain a
840 package agency issued by the commission in accordance with this part.

841 (2) To obtain a package agency, a person seeking to be the package agent under this
842 part shall submit to the department:

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

844 (b) a nonrefundable application fee of \$125;

845 (c) written consent of the local authority;

846 (d) evidence of proximity to any community location, with proximity requirements
847 being governed by Section [32B-1-202](#);

848 (e) a bond as specified by Section [32B-2-604](#);

849 (f) a floor plan of the premises, including a description and highlighting of that part of
850 the premises in which the person proposes that the package agency be located;

851 (g) evidence that the package agency is carrying public liability insurance in an amount
852 and form satisfactory to the department;

853 (h) a signed consent form stating that the package agent permits any authorized
854 representative of the commission, department, or any law enforcement officer to have
855 unrestricted right to enter the premises of the package agency;

856 (i) if the person applying is an entity, verification that a person who signs the package
857 agency application is authorized to sign on behalf of the entity; and

858 (j) any other information the commission or department may require.

859 (3) The commission may not issue a package agency to a person who is disqualified
860 under Section [32B-1-304](#).

861 (4) The commission may not issue a package agency for premises that do not meet the
862 proximity requirements of Section [32B-1-202](#).

863 Section 4. Section **32B-2-604** is amended to read:

864 **32B-2-604. Bond related to package agency.**

865 (1) (a) A package agent who has a consignment liquor inventory owned by the state
866 shall post a:

867 (i) consignment surety bond:

868 (A) payable to the department; and

869 (B) in the amount of the consignment inventory; and

870 (ii) cash or surety bond:

871 (A) payable to the department; and

872 (B) in the penal amount of at least \$1,000, as the department determines.

873 (b) A package agent who has a consignment liquor inventory shall ensure that a
874 consignment surety bond is conditioned upon a package agent's return of the unsold
875 consignment liquor inventory at the termination of a package agency agreement.

876 (2) A package agent that owns the package agency's liquor and beer inventory shall
877 post a cash bond or surety bond:

878 (a) in the penal amount of at least \$1,000, as the department determines; and

879 (b) payable to the department.

880 (3) A package agent shall procure and maintain the bond required under this section for
881 as long as the package agent continues to operate as a package agent.

882 (4) A bond required under this section shall be:

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

884 (b) conditioned upon the package agent's faithful compliance with this title, the rules of
885 the commission, and the package agency agreement.

886 (5) (a) If a surety bond posted by a package agency under this section is canceled due to
887 the package agent's or package agency's negligence, the department may assess a \$300
888 reinstatement fee.

889 (b) No part of a bond posted by a package agent under this section may be withdrawn:

890 (i) during the period the package agency is in effect; or

891 (ii) while a revocation of the package agency is pending against the package agent.

892 (6) (a) A bond posted under this section by a package agent may be forfeited if the
893 package agency is revoked.

894 (b) Notwithstanding Subsection (6)(a), the department may make a claim against a
895 bond posted by a package agent for money owed the department under this title without the

896 commission first revoking the package agency.

897 Section 5. Section **32B-2-605** is amended to read:

898 **32B-2-605. Operational requirements for package agency.**

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

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

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

906 (ii) An action against a package agent is governed solely by [its] the package agent's
907 package agency agreement and may include suspension or revocation of the package agency.

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

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

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

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

916 (i) the package agent; or

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

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

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

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

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

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

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

926 (f) A package agent shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

952 (4) A package agency may not display [~~liquor~~] an alcoholic beverage or a price list in a
953 window or showcase that is visible to passersby.

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

956 (b) At the discretion of the department, the department may provide liquor to a package
957 agency for sale on consignment.

958 (6) A package agency may not store, sell, offer for sale, or furnish [~~liquor~~] an alcoholic
959 beverage in a place other than as designated in the package agent's application, unless the
960 package agent first applies for and receives approval from the department for a change of
961 location within the package agency premises.

962 (7) (a) Except as provided in Subsection (7)(b), a package agency may not sell, offer for
963 sale, or furnish liquor except at a price fixed by the commission.

964 (b) A package agency may provide as room service one alcoholic product free of
965 charge per guest reservation, per guest room, if:

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

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

969 (A) in person; and

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

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

973 (iv) the alcoholic product:

974 (A) is not a spirituous liquor; and

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

976 (8) A package agency may not sell, offer for sale, or furnish [~~liquor~~] an alcoholic
977 beverage to:

978 (a) a minor;

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

980 (c) a known interdicted person; or

981 (d) a known habitual drunkard.

982 (9) (a) A package agency may not employ a minor to handle [~~liquor~~] an alcoholic
983 beverage.

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

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

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

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

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

991 (i) the package agency notifies the department in writing at least seven days before the
992 day on which the package agency closes or ceases operation; and

993 (ii) the closure or cessation of operation is first approved by the department.

994 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
995 agency shall immediately notify the department by telephone.

996 (c) (i) The department may authorize a closure or cessation of operation for a period
997 not to exceed 60 days.

998 (ii) The department may extend the initial period described in Subsection (10)(c)(i) an
999 additional 30 days upon written request of the package agency and upon a showing of good
1000 cause.

1001 (iii) A closure or cessation of operation may not exceed a total of 90 days without
1002 commission approval.

1003 (d) The notice required by Subsection (10)(a) shall include:

1004 (i) the dates of closure or cessation of operation;

1005 (ii) the reason for the closure or cessation of operation; and

1006 (iii) the date on which the package agency will reopen or resume operation.

1007 (e) Failure of a package agency to provide notice and to obtain department
1008 authorization before closure or cessation of operation results in an automatic termination of the
1009 package agency agreement effective immediately.

1010 (f) Failure of a package agency to reopen or resume operation by the approved date
1011 results in an automatic termination of the package agency agreement effective on that date.

1012 (11) A package agency may not transfer the package agency's operations from one
1013 location to another location without prior written approval of the commission.

1014 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,
1015 exchange, barter, give, or attempt in any way to dispose of the package agency to another
1016 person, whether for monetary gain or not.

1017 (b) A package agency has no monetary value for any type of disposition.

1018 (13) (a) Subject to the other provisions of this Subsection (13):

1019 (i) sale or delivery of [~~liquor~~] an alcoholic beverage may not be made on or from the

1020 premises of a package agency, and a package agency may not be kept open for the sale of
1021 ~~[liquor]~~ an alcoholic beverage:

1022 (A) on Sunday; or

1023 (B) on a state or federal legal holiday; and

1024 (ii) sale or delivery of ~~[liquor]~~ an alcoholic beverage may be made on or from the
1025 premises of a package agency, and a package agency may be open for the sale of ~~[liquor]~~ an
1026 alcoholic beverage, only on a day and during hours that the commission directs by rule or
1027 order.

1028 (b) A package agency located ~~[at a manufacturing facility]~~ on the licensed premises of
1029 a manufacturing licensee, as defined in Section 32B-11-102, is not subject to Subsection
1030 (13)(a) if:

1031 ~~[(i) the package agency is located at a manufacturing facility licensed in accordance~~
1032 ~~with Chapter 11, Manufacturing and Related Licenses Act,]~~

1033 ~~[(ii) (i) the [manufacturing facility licensed in accordance with Chapter 11,~~
1034 ~~Manufacturing and Related Licenses Act] manufacturing licensee, holds:~~

1035 (A) a full-service restaurant license;

1036 (B) a limited-service restaurant license;

1037 (C) a beer-only restaurant license;

1038 (D) a dining club license; or

1039 (E) a bar license;

1040 ~~[(iii) (ii) the restaurant, dining club, or bar is located [at the manufacturing facility] on~~
1041 ~~the licensed premises of the manufacturing licensee;~~

1042 ~~[(iv) (iii) the restaurant, dining club, or bar sells an alcoholic product produced [at the~~
1043 ~~manufacturing facility] on the licensed premises of the manufacturing licensee;~~

1044 ~~[(v) (iv) the [manufacturing facility] manufacturing licensee:~~

1045 (A) owns the restaurant, dining club, or bar; or

1046 (B) operates the restaurant, dining club, or bar;

1047 ~~[(vi) (v) the package agency only sells an alcoholic product produced [at the~~
1048 ~~manufacturing facility] on the licensed premises of the manufacturing licensee; and~~

1049 ~~[(vii) (vi) the package agency's days and hours of sale are the same as the days and~~
1050 ~~hours of sale at the restaurant, dining club, or bar.~~

1051 (c) (i) Subsection (13)(a) does not apply to a package agency held by the following if
1052 the package agent that holds the package agency to sell liquor at a resort or hotel does not sell
1053 liquor in a manner similar to a state store:

1054 (A) a resort licensee; or

1055 (B) a hotel licensee.

1056 (ii) The commission may by rule define what constitutes a package agency that sells
1057 liquor "in a manner similar to a state store."

1058 (14) (a) Except to the extent authorized by commission rule, a minor may not be
1059 admitted into, or be on the premises of, a package agency unless accompanied by a person who
1060 is:

1061 (i) 21 years [~~of age~~] old or older; and

1062 (ii) the minor's parent, legal guardian, or spouse.

1063 (b) A package agent or staff of a package agency that has reason to believe that a
1064 person who is on the premises of a package agency is under the age of 21 and is not
1065 accompanied by a person described in Subsection (14)(a) may:

1066 (i) ask the suspected minor for proof of age;

1067 (ii) ask the person who accompanies the suspected minor for proof of age; and

1068 (iii) ask the suspected minor or the person who accompanies the suspected minor for
1069 proof of parental, guardianship, or spousal relationship.

1070 (c) A package agent or staff of a package agency shall refuse to sell [~~liquor~~] an
1071 alcoholic beverage to the suspected minor and to the person who accompanies the suspected
1072 minor into the package agency if the minor or person fails to provide any information specified
1073 in Subsection (14)(b).

1074 (d) A package agent or staff of a package agency shall require the suspected minor and
1075 the person who accompanies the suspected minor into the package agency to immediately leave
1076 the premises of the package agency if the minor or person fails to provide information specified
1077 in Subsection (14)(b).

1078 (15) (a) A package agency shall sell, offer for sale, or furnish [~~liquor~~] an alcoholic
1079 beverage in a sealed container.

1080 (b) A person may not open a sealed container on the premises of a package agency.

1081 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or

1082 furnish liquor in other than a sealed container:

1083 (i) if the package agency is the type of package agency that authorizes the package
1084 agency to sell, offer for sale, or furnish the liquor as part of room service;

1085 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and

1086 (iii) subject to:

1087 (A) staff of the package agency providing the liquor in person only to an adult guest in
1088 the guest room or privately owned dwelling unit;

1089 (B) staff of the package agency not leaving the liquor outside a guest room or privately
1090 owned dwelling unit for retrieval by a guest or resident; and

1091 (C) the same limits on the portions in which an alcoholic product may be sold by a
1092 retail licensee under Section 32B-5-304.

1093 (16) A package agency may not sell, offer for sale, or furnish heavy beer in a sealed
1094 container that exceeds two liters.

1095 (17) The department may pay or otherwise remunerate a package agent on any basis,
1096 including sales or volume of business done by the package agency.

1097 (18) The commission may prescribe by policy or rule general operational requirements
1098 of a package agency that are consistent with this title and relate to:

1099 (a) physical facilities;

1100 (b) conditions of operation;

1101 (c) hours of operation;

1102 (d) inventory levels;

1103 (e) payment schedules;

1104 (f) methods of payment;

1105 (g) premises security; and

1106 (h) any other matter considered appropriate by the commission.

1107 (19) A package agency may not maintain a minibar.

1108 Section 6. Section 32B-4-401 is amended to read:

1109 **32B-4-401. Unlawful sale or furnishing.**

1110 (1) It is unlawful for a retail licensee, a permittee, or staff of a retail licensee or
1111 permittee to keep for sale, or to directly or indirectly, sell, offer for sale, or furnish to another,
1112 an alcoholic product, except as otherwise provided by this title.

1113 (2) It is unlawful for a person in the business of selling liquor, a manufacturer, a
1114 supplier, an importer of liquor, or staff of the person, manufacturer, supplier, or importer to
1115 sell, ship, transport, or cause to be sold, shipped, or transported liquor from an out-of-state
1116 location directly or indirectly into this state except to the extent authorized by this title to:

- 1117 (a) the department;
- 1118 (b) a military installation;
- 1119 (c) a holder of a special use permit, to the extent authorized in the special use permit;

1120 or

1121 (d) a liquor warehouser licensee licensed to distribute and transport liquor to:

- 1122 (i) the department; or
- 1123 (ii) an out-of-state wholesaler or retailer.

1124 (3) (a) It is unlawful for a person in the business of selling beer, a manufacturer, a
1125 supplier, an importer of beer, or staff of the person, manufacturer, or importer to sell, ship,
1126 transport, or cause to be sold, shipped, or transported beer from an out-of-state location directly
1127 or indirectly into this state except to the extent authorized by this title to:

- 1128 (i) a beer wholesaler licensee;
- 1129 (ii) a military installation; or
- 1130 (iii) a holder of a special use permit, to the extent authorized in the special use permit.

1131 (b) Subsection (3)(a) does not preclude a small brewer that holds a certificate of
1132 approval from selling, shipping, or transporting beer to the extent authorized by Subsection
1133 [32B-11-503\(5\)](#) directly to:

- 1134 (i) a beer retailer; or
- 1135 (ii) an event permittee.

1136 (4) (a) It is unlawful for a manufacturer, supplier, or importer of liquor in this state, or
1137 staff of the manufacturer, supplier, or importer to sell, ship, transport, or cause to be sold,
1138 shipped, or transported liquor directly or indirectly to a person in this state except to the extent
1139 authorized by this title to:

- 1140 (i) the department;
- 1141 (ii) a military installation;
- 1142 (iii) a holder of a special use permit, to the extent authorized in the special use permit;

1143 or

1144 (iv) a liquor warehouser licensee who is licensed to distribute and transport liquor to:

1145 (A) the department; or

1146 (B) an out-of-state wholesaler or retailer.

1147 (b) Subsection (4)(a) does not preclude a winery manufacturing licensee located in this

1148 state from selling wine to a person on its winery premises:

1149 (i) to the extent authorized by Subsection 32B-11-303(4); or

1150 (ii) under a package agency issued by the commission on the winery premises.

1151 (c) Subsection (4)(a) does not preclude a distillery manufacturing licensee located in

1152 this state from selling liquor on its distillery premises:

1153 (i) to the extent authorized in Subsection 32B-11-403(5); or

1154 (ii) under a package agency issued by the commission on the distillery premises.

1155 (d) Subsection (4)(a) does not preclude a brewery manufacturing licensee located in

1156 this state from selling heavy beer or flavored malt beverages on its brewery premises:

1157 (i) to the extent authorized under Subsection 32B-11-503(4); or

1158 (ii) under a package agency issued by the commission on its brewery premises.

1159 (5) (a) It is unlawful for a manufacturer, supplier, or importer of beer in this state, or

1160 staff of the manufacturer, supplier, or importer to sell, ship, transport, or cause to be sold,

1161 shipped, or transported beer directly or indirectly to a person in this state except to the extent

1162 authorized by this title to:

1163 (i) a beer wholesaler licensee;

1164 (ii) a military installation; or

1165 (iii) a holder of a special use permit, to the extent authorized in the special use permit.

1166 (b) Subsection (5)(a) does not preclude:

1167 (i) a small brewer who is a brewery manufacturing licensee located in this state from

1168 selling, shipping, and transporting beer to the extent authorized by Subsection 32B-11-503(5)

1169 directly to one of the following in this state:

1170 (A) a beer retailer; or

1171 (B) an event permittee; ~~[or]~~

1172 (ii) a brewery manufacturing licensee from selling beer to a person on ~~[its]~~ the brewery

1173 manufacturing licensee's manufacturing premises under Subsection 32B-11-503(4)(c)~~[-];~~ or

1174 (iii) a package agency that is located on the licensed premises of a brewery

1175 manufacturing licensee, from selling beer manufactured on the premises to:

1176 (A) a beer retailer; or

1177 (B) an event permittee.

1178 (6) It is unlawful for a person other than a person described in Subsection (2) or (3) to
1179 sell, ship, transport, or cause to be sold, shipped, or transported an alcoholic product from an
1180 out-of-state location directly or indirectly into this state, except as otherwise provided by this
1181 title.

1182 (7) It is unlawful for a person in this state other than a person described in Subsection
1183 (4) or (5) to sell, ship, transport, or cause to be sold, shipped, or transported an alcoholic
1184 product directly or indirectly to another person in this state, except as otherwise provided by
1185 this title.

1186 (8) (a) A violation of Subsection (1) is a class B misdemeanor, except when otherwise
1187 provided by this title.

1188 (b) A violation of Subsection (2), (3), (4), or (5) is a third degree felony.

1189 (c) A violation of Subsection (6) or (7) is a class B misdemeanor.

1190 Section 7. Section **32B-5-303** is amended to read:

1191 **32B-5-303. Purchase and storage of an alcoholic product by a retail licensee.**

1192 (1) (a) A retail licensee may not purchase liquor except from a state store or package
1193 agency.

1194 (b) A retail licensee may transport liquor purchased from a state store or package
1195 agency from the place of purchase to the licensed premises.

1196 (c) A retail licensee shall pay for liquor in accordance with rules established by the
1197 commission.

1198 (2) (a) (i) A retail licensee may not purchase, acquire, possess for the purpose of resale,
1199 or sell beer except beer that the retail licensee purchases from:

1200 (A) a beer wholesaler licensee; ~~or~~

1201 (B) a small brewer that manufactures the beer~~[-];~~ or

1202 (C) a package agency that is located on the licensed premises of a brewery

1203 manufacturing licensee and that only sells beer manufactured on the premises.

1204 (ii) Violation of this Subsection (2)(a) is a class A misdemeanor.

1205 (b) (i) If a retail licensee purchases beer under Subsection (2)(a) from a beer wholesaler

1206 licensee, the retail licensee shall purchase beer only from a beer wholesaler licensee who is
1207 designated by the manufacturer to sell beer in the geographical area in which the retail licensee
1208 is located, unless an alternate wholesaler is authorized by the department to sell to the retail
1209 licensee as provided in Section 32B-13-301.

1210 (ii) Violation of Subsection (2)(b) is a class B misdemeanor.

1211 (3) A retail licensee may not store, sell, offer for sale, or furnish an alcoholic product in
1212 a place other than as designated in the retail licensee's application, unless the retail licensee
1213 first applies for and receives approval from the department for a change of location within the
1214 licensed premises.

1215 (4) A liquor storage area shall remain locked at all times except when:

1216 (a) liquor sales are authorized by law; or

1217 (b) the licensee:

1218 (i) inventories or restocks the alcoholic product in the liquor storage area; or

1219 (ii) repairs or cleans the liquor storage area.

1220 Section 8. Section 32B-6-706 is amended to read:

1221 **32B-6-706. Specific operational requirements for on-premise beer retailer license.**

1222 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1223 Requirements, an on-premise beer retailer and staff of the on-premise beer retailer shall comply
1224 with this section.

1225 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1226 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1227 (i) an on-premise beer retailer;

1228 (ii) individual staff of an on-premise beer retailer; or

1229 (iii) both an on-premise beer retailer and staff of the on-premise beer retailer.

1230 (2) (a) An on-premise beer retailer is not subject to Section 32B-5-302, but shall make
1231 and maintain the records the department requires.

1232 (b) Section 32B-1-205 applies to a record required to be made or maintained in
1233 accordance with this Subsection (2).

1234 (3) Notwithstanding Section 32B-5-303, an on-premise beer retailer may not store or
1235 sell liquor on ~~[its]~~ the on-premise beer retailer's licensed premises.

1236 (4) Beer sold in a sealed container by an on-premise beer retailer may be removed from

1237 the on-premise beer retailer premises in the sealed container.

1238 (5) (a) An on-premise beer retailer may not sell, offer for sale, or furnish beer at its
1239 licensed premises during a period that:

1240 (i) begins at 1 a.m.; and

1241 (ii) ends at 9:59 a.m.

1242 (b) (i) Notwithstanding Subsection (5)(a), a tavern shall remain open for one hour after
1243 the tavern ceases the sale and furnishing of beer during which time a patron of the tavern may
1244 finish consuming a single serving of beer not exceeding 26 ounces.

1245 (ii) A tavern is not required to remain open:

1246 (A) after all patrons have vacated the premises; or

1247 (B) during an emergency.

1248 (6) Notwithstanding Section 32B-5-308, a minor may not be on the premises of a
1249 tavern.

1250 (7) (a) (i) An on-premise beer retailer may not purchase, acquire, possess for the
1251 purpose of resale, or sell beer except beer that the on-premise beer retailer lawfully purchases
1252 from:

1253 (A) a beer wholesaler licensee; [~~or~~]

1254 (B) a small brewer that manufactures the beer[-]; or

1255 (C) a package agency that is located on the licensed premises of a brewery
1256 manufacturing licensee and that only sells beer manufactured on the premises.

1257 (ii) Violation of Subsection (7)(a)(i) is a class A misdemeanor.

1258 (b) (i) If an on-premise beer retailer purchases beer under this Subsection (7) from a
1259 beer wholesaler licensee, the on-premise beer retailer shall purchase beer only from a beer
1260 wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area
1261 in which the on-premise beer retailer is located, unless an alternate wholesaler is authorized by
1262 the department to sell to the on-premise beer retailer as provided in Section 32B-13-301.

1263 (ii) Violation of Subsection (7)(b)(i) is a class B misdemeanor.

1264 (8) A tavern shall comply with Section 32B-1-407.

1265 Section 9. Section 32B-7-202 is amended to read:

1266 **32B-7-202. General operational requirements for off-premise beer retailer.**

1267 (1) (a) An off-premise beer retailer or staff of the off-premise beer retailer shall comply

1268 with the provisions of this title and any applicable rules made by the commission.

1269 (b) Failure to comply with this section may result in a suspension or revocation of a
1270 local license and, on or after July 1, 2018, disciplinary action in accordance with Chapter 3,
1271 Disciplinary Actions and Enforcement Act.

1272 (2) (a) (i) An off-premise beer retailer may not purchase, acquire, possess for the
1273 purpose of resale, or sell beer, except beer that the off-premise beer retailer lawfully purchases
1274 from:

1275 (A) a beer wholesaler licensee; [~~or~~]

1276 (B) a small brewer that manufactures the beer[-]; or

1277 (C) a package agency that is located on the licensed premises of a brewery

1278 manufacturing licensee and that only sells beer manufactured on the premises.

1279 (ii) A violation of Subsection (2)(a) is a class A misdemeanor.

1280 (b) (i) If an off-premise beer retailer purchases beer under this Subsection (2) from a
1281 beer wholesaler licensee, the off-premise beer retailer shall purchase beer only from a beer
1282 wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area
1283 in which the off-premise beer retailer is located, unless an alternate wholesaler is authorized by
1284 the department to sell to the off-premise beer retailer as provided in Section [32B-13-301](#).

1285 (ii) A violation of Subsection (2)(b) is a class B misdemeanor.

1286 (3) An off-premise beer retailer may not possess, sell, offer for sale, or furnish beer in a
1287 container larger than two liters.

1288 (4) (a) Staff of an off-premise beer retailer, while on duty, may not:

1289 (i) consume an alcoholic product; or

1290 (ii) be intoxicated.

1291 (b) A minor may not sell beer on the licensed premises of an off-premise beer retailer

1292 unless:

1293 (i) the sale is done under the supervision of a person 21 years [~~of age~~] old or older who
1294 is on the licensed premises; and

1295 (ii) the minor is at least 16 years [~~of age~~] old.

1296 (5) An off-premise beer retailer may not sell, offer for sale, or furnish an alcoholic
1297 product to:

1298 (a) a minor;

- 1299 (b) a person actually, apparently, or obviously intoxicated;
- 1300 (c) a known interdicted person; or
- 1301 (d) a known habitual drunkard.
- 1302 (6) (a) Subject to the other provisions of this Subsection (6), an off-premise beer
- 1303 retailer shall:
- 1304 (i) display all beer accessible by and visible to a patron in no more than two locations
- 1305 on the retail sales floor, each of which is:
- 1306 (A) a display cabinet, cooler, aisle, floor display, or room where beer is the only
- 1307 beverage displayed; and
- 1308 (B) not adjacent to a display of nonalcoholic beverages, unless the location is a cooler
- 1309 with a door from which the nonalcoholic beverages are not accessible, or the beer is separated
- 1310 from the display of nonalcoholic beverages by a display of one or more nonbeverage products
- 1311 or another physical divider; and
- 1312 (ii) display a sign in the area described in Subsection (6)(a)(i) that:
- 1313 (A) is prominent;
- 1314 (B) is easily readable by a consumer;
- 1315 (C) meets the requirements for format established by the commission by rule; and
- 1316 (D) reads in print that is no smaller than .5 inches, bold type, "These beverages contain
- 1317 alcohol. Please read the label carefully."
- 1318 (b) Notwithstanding Subsection (6)(a), a nonalcoholic beer may be displayed with beer
- 1319 if the nonalcoholic beer is labeled, packaged, or advertised as a nonalcoholic beer.
- 1320 (c) The requirements of this Subsection (6) apply to beer notwithstanding that it is
- 1321 labeled, packaged, or advertised as:
- 1322 (i) a malt cooler; or
- 1323 (ii) a beverage that may provide energy.
- 1324 (d) A violation of this Subsection (6) is an infraction.
- 1325 ~~[(e) (i) Except as provided in Subsection (6)(c)(ii), the provisions of Subsection~~
- 1326 ~~(6)(a)(i) apply on and after May 9, 2017.]~~
- 1327 ~~[(ii) For a beer retailer that operates two or more off-premise beer retailers, the~~
- 1328 ~~provisions of Subsection (6)(a)(i) apply on and after August 1, 2017.]~~
- 1329 (7) (a) Staff of an off-premise beer retailer who directly supervises the sale of beer or

1330 who sells beer to a patron for consumption off the premises of the off-premise beer retailer
1331 shall wear a unique identification badge:

- 1332 (i) on the front of the staff's clothing;
- 1333 (ii) visible above the waist;
- 1334 (iii) bearing the staff's:
 - 1335 (A) first or last name;
 - 1336 (B) initials; or
 - 1337 (C) unique identification in letters or numbers; and
- 1338 (iv) with the number or letters on the unique identification badge being sufficiently
1339 large to be clearly visible and identifiable while engaging in or directly supervising the retail
1340 sale of beer.

1341 (b) An off-premise beer retailer shall make and maintain a record of each current staff's
1342 unique identification badge assigned by the off-premise beer retailer that includes the staff's:

- 1343 (i) full name;
- 1344 (ii) address; and
- 1345 (iii) (A) driver license number; or
- 1346 (B) similar identification number.

1347 (c) An off-premise beer retailer shall make available a record required to be made or
1348 maintained under this Subsection (7) for immediate inspection by:

- 1349 (i) a peace officer;
- 1350 (ii) a representative of the local authority that issues the off-premise beer retailer
1351 license; or
- 1352 (iii) for an off-premise beer retailer state license, a representative of the commission or
1353 department.

1354 (d) A local authority may impose a fine of up to \$250 against an off-premise beer
1355 retailer that does not comply or require ~~[its]~~ the off-premise beer retailer's staff to comply with
1356 this Subsection (7).

1357 (8) (a) An off-premise beer retailer may sell, offer for sale, or furnish beer through a
1358 drive through window.

1359 (b) Subsection (8)(a) does not modify the display limitations and requirements
1360 described in Subsection (6).

1361 Section 10. Section **32B-9-204** is amended to read:

1362 **32B-9-204. General operational requirements for an event permit.**

1363 (1) (a) An event permittee and a person involved in the storage, sale, offer for sale, or
1364 furnishing of an alcoholic product at an event for which an event permit is issued, shall comply
1365 with this title and rules of the commission.

1366 (b) Failure to comply as provided in Subsection (1)(a):

1367 (i) may result in:

1368 (A) disciplinary action in accordance with Chapter 3, Disciplinary Actions and

1369 Enforcement Act, against:

1370 (I) an event permittee;

1371 (II) a person involved in the storage, sale, offer for sale, or furnishing of an alcoholic
1372 product at the event; or

1373 (III) any combination of the persons listed in this Subsection (1)(b);

1374 (B) immediate revocation of the event permit;

1375 (C) forfeiture of a bond; or

1376 (D) immediate seizure of an alcoholic product present at the event; and

1377 (ii) if the event permit is revoked, disqualifies the event permittee from applying for an
1378 event permit for a period of three years [~~from the date of revocation of the event permit~~] after
1379 the day on which the revocation of the event permit occurs.

1380 (c) An alcoholic product seized under this Subsection (1) shall be returned to the event
1381 permittee after an event if forfeiture proceedings are not instituted under Section [32B-4-206](#).

1382 (2) (a) If there is a conflict between this part and the relevant part under this chapter for
1383 the specific type of special use permit held by the special use permittee, the relevant part
1384 governs.

1385 (b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," an
1386 event permittee may only sell, offer for sale, or furnish an alcoholic product specified in the
1387 relevant part under this chapter for the type of event permit that is held by the event permittee.

1388 (c) Notwithstanding that this part or the relevant part under this chapter for the type of
1389 event permit held by an event permittee refers to "event permittee," a person involved in the
1390 storage, sale, offer for sale, or furnishing of an alcoholic product at the event for which the
1391 event permit is issued is subject to the same requirement or prohibition.

1392 (3) An event permittee shall display a copy of the event permit in a prominent place in
1393 the area in which an alcoholic product is sold, offered for sale, furnished, and consumed.

1394 (4) An event permittee may not on the premises of the event:

1395 (a) engage in or allow any form of gambling, as defined in Section 76-10-1101, or
1396 fringe gambling, as defined in Section 76-10-1101;

1397 (b) have any fringe gaming device, video gaming device, or gambling device or record
1398 as defined in Section 76-10-1101; or

1399 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
1400 the risking of something of value for a return or for an outcome when the return or outcome is
1401 based upon an element of chance, excluding the playing of an amusement device that confers
1402 only an immediate and unrecorded right of replay not exchangeable for value.

1403 (5) An event permittee may not knowingly allow a person at an event to, in violation of
1404 Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug
1405 Paraphernalia Act:

1406 (a) sell, distribute, possess, or use a controlled substance, as defined in Section
1407 58-37-2; or

1408 (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in
1409 Section 58-37a-3.

1410 (6) An event permittee may not sell, offer for sale, or furnish beer except beer
1411 purchases from:

1412 (a) a beer wholesaler licensee;

1413 (b) a beer retailer; [or]

1414 (c) a small brewer[-] that manufactures the beer; or

1415 (d) a package agency that:

1416 (i) is located on the licensed premises of a brewery manufacturing licensee; and

1417 (ii) only sells beer manufactured on the premises described in Subsection (6)(d)(i).

1418 (7) An event permittee may not store, sell, offer for sale, furnish, or allow the
1419 consumption of an alcoholic product purchased for an event in a location other than that
1420 described in the application and designated on the event permit unless the event permittee first
1421 applies for and receives approval from the director, with the approval of the Compliance,
1422 Licensing, and Enforcement Subcommittee, for a change of location.

1423 (8) (a) Subject to Subsection (8)(b), an event permittee may sell, offer for sale, or
1424 furnish beer for on-premise consumption:

1425 (i) in an open original container; and

1426 (ii) in a container on draft.

1427 (b) An event permittee may not sell, offer for sale, or furnish beer sold pursuant to
1428 Subsection (8)(a):

1429 (i) in a size of container that exceeds two liters; or

1430 (ii) to an individual patron in a size of container that exceeds one liter.

1431 (9) (a) An event permittee may not sell or offer for sale an alcoholic product at less
1432 than the cost of the alcoholic product to the event permittee.

1433 (b) An event permittee may not sell an alcoholic product at a discount price on any date
1434 or at any time.

1435 (c) An event permittee may not sell or offer for sale an alcoholic product at a price that
1436 encourages overconsumption or intoxication.

1437 (d) An event permittee may not sell or offer for sale an alcoholic product at a special or
1438 reduced price for only certain hours of the day of an event.

1439 (e) An event permittee may not sell, offer for sale, or furnish more than one alcoholic
1440 product at the price of a single alcoholic product.

1441 (f) An event permittee, or a person operating, selling, offering, or furnishing an
1442 alcoholic product under an event permit, may not sell, offer for sale, or furnish an indefinite or
1443 unlimited number of alcoholic products during a set period for a fixed price, unless:

1444 (i) the alcoholic product is served to a patron at a seated event;

1445 (ii) food is available whenever the alcoholic product is sold, offered for sale, or
1446 furnished; and

1447 (iii) no person advertises that at the event a person may be sold or furnished an
1448 indefinite or unlimited number of alcoholic products during a set period for a fixed price.

1449 (g) An event permittee may not engage in a public promotion involving or offering a
1450 free alcoholic product to the general public.

1451 (10) An event permittee may not sell, offer for sale, or furnish an alcoholic product to:

1452 (a) a minor;

1453 (b) a person actually, apparently, or obviously intoxicated;

1454 (c) a known interdicted person; or

1455 (d) a known habitual drunkard.

1456 (11) (a) An alcoholic product is considered under the control of the event permittee
1457 during an event.

1458 (b) A patron at an event may not bring an alcoholic product onto the premises of the
1459 event.

1460 (12) An event permittee may not permit a patron to carry from the premises an open
1461 container that:

1462 (a) is used primarily for drinking purposes; and

1463 (b) contains an alcoholic product.

1464 (13) (a) A person involved in the storage, sale, or furnishing of an alcoholic product at
1465 an event is considered under the supervision and direction of the event permittee.

1466 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product at
1467 an event may not, while on duty:

1468 (i) consume an alcoholic product; or

1469 (ii) be intoxicated.

1470 (14) A minor may not handle, sell, offer for sale, or furnish an alcoholic product at an
1471 event.

1472 (15) The location specified in an event permit may not be changed without prior
1473 written approval of the commission.

1474 (16) An event permittee may not sell, transfer, assign, exchange, barter, give, or
1475 attempt in any way to dispose of the event permit to another person whether for monetary gain
1476 or not.

1477 (17) (a) An event permittee may not sell, offer for sale, furnish, or allow the
1478 consumption of an alcoholic product during a period that:

1479 (i) begins at 1 a.m.; and

1480 (ii) ends at 9:59 a.m.

1481 (b) This Subsection (17) does not preclude a local authority from being more restrictive
1482 with respect to the hours of sale, offer for sale, furnishing, or consumption of an alcoholic
1483 product at an event.

1484 (18) A patron may have no more than one alcoholic product of any kind at a time

1485 before the patron.

1486 (19) (a) An event permittee shall display, in a prominent place, a sign in large letters
1487 that consists of text in the following order:

1488 (i) a header that reads: "WARNING";

1489 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
1490 can cause birth defects and permanent brain damage for the child.";

1491 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
1492 [insert most current toll-free number] with questions or for more information.";

1493 (iv) a header that reads: "WARNING"; and

1494 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
1495 serious crime that is prosecuted aggressively in Utah."

1496 (b) (i) The text described in Subsections (19)(a)(i) through (iii) shall be in a different
1497 font style than the text described in Subsections (19)(a)(iv) and (v).

1498 (ii) The warning statements in the sign described in Subsection (19)(a) shall be in the
1499 same font size.

1500 (c) The Department of Health shall work with the commission and department to
1501 facilitate consistency in the format of a sign required under this section.

1502 Section 11. Section **32B-13-201** is amended to read:

1503 **32B-13-201. Commission's power to issue beer wholesaling license.**

1504 (1) (a) Before a person may purchase, store, sell, offer for sale, distribute, or import
1505 beer to a person who sells at retail or acts in any way as a beer wholesaler, the person shall first
1506 obtain a beer wholesaling license issued by the commission in accordance with this chapter.

1507 (b) A violation of Subsection (1)(a) is a class A misdemeanor.

1508 (2) (a) The commission may issue a beer wholesaling license for the purchase, storage,
1509 sale, distribution, transportation, and import of beer.

1510 (b) A beer wholesaling license entitles the beer wholesaler licensee to:

1511 (i) purchase and import beer into the state;

1512 (ii) store beer in an approved warehouse; and

1513 (iii) sell and distribute beer directly to:

1514 (A) a beer retailer; or

1515 (B) an event permittee.

1516 (3) (a) Nothing in this section precludes a small brewer from selling beer the small
1517 brewer manufactures directly to:

1518 [~~(a)~~] (i) a retail licensee;

1519 [~~(b)~~] (ii) an off-premise beer retailer; or

1520 [~~(c)~~] (iii) an event permittee.

1521 (b) Nothing in this section precludes a package agency that is located on the licensed
1522 premises of a brewery manufacturing licensee from selling beer manufactured on the premises
1523 to:

1524 (i) a retail licensee;

1525 (ii) an off-premise beer retailer; or

1526 (iii) an event permittee.