

1 **CONSUMER ALCOHOLIC BEVERAGE PURCHASING**

2 2022 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Gene Davis**

5 House Sponsor: Timothy D. Hawkes

6

LONG TITLE

7 **Committee Note:**

8 The Business and Labor Interim Committee recommended this bill.

9 Legislative Vote: 14 voting for 0 voting against 7 absent

10 **General Description:**

11 This bill amends provisions of the Alcoholic Beverage Control Act regarding consumer
12 purchasing.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ defines terms;
- 16 ▶ creates the Division of Consumer Purchasing (division) within the Department of
- 17 Alcoholic Beverage Control;
- 18 ▶ moves the wine subscription program under the administration of the division;
- 19 ▶ requires the division to establish a consumer purchasing system;
- 20 ▶ outlines the parameters of the consumer purchasing system;
- 21 ▶ ~~requires the Alcoholic Beverage Control Commission to receive and review~~
- 22 ~~complaints regarding the division or the consumer purchasing system; and~~ ~~←~~ ~~§~~
- 23 ▶ grants the Alcoholic Beverage Control Commission rulemaking authority.

24 **Money Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

S.B. 14



28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **32B-2-701**, as enacted by Laws of Utah 2020, Chapter 178

32 **32B-2-702**, as enacted by Laws of Utah 2020, Chapter 178

33 **32B-2-703**, as enacted by Laws of Utah 2020, Chapter 178

34 ENACTS:

35 **32B-2-212**, Utah Code Annotated 1953

36 **32B-2-801**, Utah Code Annotated 1953

37 **32B-2-802**, Utah Code Annotated 1953

38 **32B-2-803**, Utah Code Annotated 1953

39

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

41 Section 1. Section **32B-2-212** is enacted to read:

42 **32B-2-212. Division of Consumer Purchasing.**

43 There is created with the department the Division of Consumer Purchasing to establish
44 and administer:

45 (1) the wine subscription program described in Part 7, Wine Subscription Program; and

46 (2) the consumer purchasing system described in Part 8, Consumer Purchasing System.

47 Section 2. Section **32B-2-701** is amended to read:

48 **32B-2-701. Definitions.**

49 As used in this part:

50 (1) "Division" means the Division of Consumer Purchasing created in Section
51 **32B-2-212.**

52 (2) "Subscriber" means an individual who subscribes to a wine subscription as
53 described in Subsection **32B-2-702(2).**

54 ~~[(2)]~~ (3) "Subscription program" means the wine subscription program established in
55 Section **32B-2-702.**

56 ~~[(3)]~~ (4) "Wine subscription" means an arrangement in which a customer pays a
57 recurring price at regular intervals for a product that involves the shipment or transportation of
58 wine.

59 ~~[(4)]~~ (5) "Wine subscription business" means a person that:

60 (a) sells or offers for sale a wine subscription; and

61 (b) contracts with the department to participate in the subscription program.

62 Section 3. Section **32B-2-702** is amended to read:

63 **32B-2-702. Wine subscription program.**

64 (1) The ~~[department]~~ division shall establish and administer a wine subscription
65 program as described in this part.

66 (2) The subscription program shall permit an individual to subscribe to a wine
67 subscription that a wine subscription business sells or offers for sale by:

68 (a) enrolling in the wine subscription program in a manner the ~~[department]~~ division
69 prescribes;

70 (b) authorizing the ~~[department]~~ division to purchase the wine subscription in the
71 individual's name;

72 (c) paying the ~~[department]~~ division, in a manner the ~~[department]~~ division prescribes:

73 (i) the price of the wine subscription;

74 (ii) in addition to any tax, the markup described in Subsection **32B-2-304(4)**; and

75 (iii) a fee the ~~[department]~~ division charges in accordance with Subsection
76 **32B-2-703(1)**; and

77 (d) designating the state store or package agency at which the individual would prefer
78 to collect the wine.

79 (3) The ~~[department]~~ division shall:

80 (a) designate by contract with a wine subscription business the department warehouse
81 to which the wine subscription business ships or transports wine under the subscription
82 program;

83 (b) deliver wine purchased through the subscription program to the appropriate state
84 store or package agency; and

85 (c) notify a subscriber when wine purchased through the subscription program is ready
86 for the subscriber to collect from the state store or package agency described in Subsection

87 (3)(b).

88 Section 4. Section **32B-2-703** is amended to read:

89 **32B-2-703. Fees -- Rulemaking.**

90 (1) The [department] division may charge a fee as part of the subscription program:

91 (a) in accordance with Section 63J-1-504; and

92 (b) to cover costs to the [department] division for administering the subscription
93 program.

94 (2) The commission may make rules in accordance with Title 63G, Chapter 3, Utah
95 Administrative Rulemaking Act, for the administration of this part, including rules designating
96 which package agencies may receive from the [department] division wines that are purchased
97 through the subscription program.

98 Section 5. Section 32B-2-801 is enacted to read:

99 **Part 8. Consumer Purchasing System**

100 **32B-2-801. Definitions.**

101 As used in this part:

102 (1) "Consumer purchasing system" means the consumer purchasing system established
103 in Section 32B-2-802.

104 (2) "Division" means the Division of Consumer Purchasing created in Section
105 32B-2-212.

106 Section 6. Section 32B-2-802 is enacted to read:

107 **32B-2-802. Consumer purchasing system.**

108 (1) The division shall establish and administer a consumer purchasing system that:

109 (a) allows a person to:

110 (i) order an alcoholic product from an approved vendor through the division; and

111 (ii) pick up an alcoholic product ordered as described in Subsection (1)(a)(i) from a
112 state store or package agency; and

113 (b) requires a person ordering an alcoholic product as described in Subsection (1)(a) to,
114 at the time the order is made:

115 (i) designate a state store or package agency at which the person would prefer to collect
116 the alcoholic product; and

117 (ii) pay the division for the alcoholic product order in full, including:

118 (A) the cost of the alcoholic product; and

119 (B) in addition to any tax, the markup described in Section 32B-2-304.

120 (2) The division shall:

121 (a) ensure that an alcoholic product ordered through the consumer purchasing system is
 122 shipped or transported to a department warehouse;

123 (b) deliver an alcoholic product ordered through the consumer purchasing system to the
 124 appropriate state store or package agency;

125 (c) notify the person who ordered an alcoholic product through the consumer
 126 purchasing system when the alcoholic product is ready for the person to collect;

127 (d) administer the consumer purchasing system in a manner that:

128 (i) is efficient;

129 (ii) ensures timely delivery of alcoholic products; and

130 (iii) frequently updates a person who orders an alcoholic product through the consumer
 131 purchasing system on the status of the order; and

132 ~~Ŝ → [(e) establish a method by which a person may submit to the commission a comment or~~
 133 ~~complaint regarding the division or the consumer purchasing system.] ← Ŝ~~

134 (3) The division may not require that a person order a specific quantity of an alcoholic
 135 product that is:

136 (a) different than a quantity the vendor offers for sale; or

137 (b) larger than the smallest quantity the vendor offers for sale.

138 Section 7. Section **32B-2-803** is enacted to read:

139 **32B-2-803. Rulemaking -- Consumer purchasing complaints.**

140 (1) The commission may make rules in accordance with Title 63G, Chapter 3, Utah
 141 Administrative Rulemaking Act, to carry out the provisions of this part.

142 ~~Ŝ → [(2) The commission shall:~~

143 ~~— (a) receive and review each comment or complaint a person submits regarding the~~
 144 ~~division or the consumer purchasing system; and~~

145 ~~— (b) take any action permitted under this title that the commission determines necessary~~
 146 ~~to address a comment or complaint.] ← Ŝ~~