

## HB0548S03 compared with HB0548S02

~~text~~ shows text that was in HB0548S02 but was deleted in HB0548S03.

text shows text that was not in HB0548S02 but was inserted into HB0548S03.

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**Representative Jefferson S. Burton** proposes the following substitute bill:

### ALCOHOL AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jefferson S. Burton**

Senate Sponsor: Jerry W~~text~~ Stevenson

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#### LONG TITLE

##### General Description:

This bill modifies provisions related to alcohol.

##### Highlighted Provisions:

This bill:

- ▶ requires the director of the Department of Alcoholic Beverage Services to form a workgroup to make recommendations related to:
  - alcohol training and education for licensees; and
  - recordkeeping for certain cash transactions involving the sale of an alcoholic beverage;
- ▶ authorizes the department to establish a round up program, under which a state store customer could elect to round up the customer's purchase to the nearest dollar to help fund substance use disorder treatment services;

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- ▶ increases the state markup on spirituous liquor, wine, and flavored malt beverages;
- ▶ clarifies the markup on spirituous liquor, wine, heavy beer, and flavored malt beverages sold by a package agency located at a manufacturing facility;
- ▶ increases the tax on beer and uses the additional revenue to fund three new alcohol-related law enforcement officers who are dedicated to compliance;
- ▶ prohibits a state store or off-premise beer retailer from selling liquor or beer that is intended to be frozen and consumed in a manner other than as a beverage;
- ▶ prohibits a state store or package agency from selling liquor that contains more than 80% alcohol by volume;
- ▶ requires the department to initiate disciplinary proceedings under certain circumstances;
- ▶ prohibits a person from selling in the state ~~the~~
  - ~~liquor} {that contains more than 80% alcohol by volume; or~~
  - ~~}vaporized alcohol;~~
- ▶ requires the commission to issue any available retail license, including through a conditional retail license, if an applicant satisfies the requirements for the retail license;
- ▶ allows a retail licensee to sell, offer for sale, or furnish spirituous liquor in a pre-mixed beverage, if the beverage is in the original, sealed container and satisfies other requirements, including requirements related to volume, alcohol content, and labeling;
- ▶ increases the number of full-service restaurant and bar establishment licenses the commission is authorized to issue;
- ▶ requires the department to prorate the initial licensing fee for retail licenses;
- ▶ decreases the required capacity of a sports facility or concert venue to qualify as a recreational amenity for purposes of an on-premise beer retailer license;
- ▶ provides that a patron in a hotel with a hotel license or resort license may carry an alcoholic beverage between specified locations within the hotel, provided the patron travels within a designated conveyance area and the alcoholic beverage is in an approved container;
- ▶ allows an entity that is not an airline to obtain a public service permit for the

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purpose of operating a hospitality room at an international airport;

- ▶ modifies the required showing for prima facie evidence of dram shop liability;
- ▶ allows an individual to obtain a DUI investigative report if the individual suffered loss or injury as a result of the defendant's actions;
- ▶ establishes a place of last drink program, operated by the Department of Public Safety;
- ▶ clarifies that the beer tax applies to beer and heavy beer;
- ▶ repeals the Alcoholic Beverage Services Advisory Board; and
- ▶ makes technical and conforming changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**32B-1-304**, as last amended by Laws of Utah 2023, Chapter 371

**32B-2-205**, as last amended by Laws of Utah 2022, Chapter 447

**32B-2-304**, as last amended by Laws of Utah 2022, Chapter 447

**32B-2-305**, as last amended by Laws of Utah 2023, Chapter 396

**32B-2-503**, as last amended by Laws of Utah 2011, Chapters 307, 334

**32B-2-605**, as last amended by Laws of Utah 2022, Chapter 447

**32B-3-203**, as last amended by Laws of Utah 2012, Chapter 369

~~{ **32B-4-401**, as last amended by Laws of Utah 2016, Chapter 266~~

{ **32B-4-422**, as last amended by Laws of Utah 2020, Chapter 219

**32B-4-424**, as enacted by Laws of Utah 2015, Chapter 54

**32B-4-501**, as last amended by Laws of Utah 2017, Chapter 455

**32B-5-201**, as last amended by Laws of Utah 2022, Chapter 447

**32B-5-304**, as last amended by Laws of Utah 2023, Chapter 371

**32B-6-203**, as last amended by Laws of Utah 2023, Chapter 371

**32B-6-204**, as last amended by Laws of Utah 2017, Chapter 455

**32B-6-206**, as last amended by Laws of Utah 2023, Chapter 371

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**32B-6-302**, as last amended by Laws of Utah 2018, Chapters 249, 313  
**32B-6-304**, as last amended by Laws of Utah 2016, Chapter 82  
**32B-6-306**, as enacted by Laws of Utah 2013, Chapter 349  
**32B-6-403**, as last amended by Laws of Utah 2023, Chapter 371  
**32B-6-405**, as last amended by Laws of Utah 2017, Chapter 455  
**32B-6-504**, as last amended by Laws of Utah 2011, Chapter 334  
**32B-6-604**, as last amended by Laws of Utah 2011, Chapter 334  
**32B-6-605**, as last amended by Laws of Utah 2023, Chapters 371, 400  
**32B-6-702**, as last amended by Laws of Utah 2021, Chapter 280  
**32B-6-705**, as last amended by Laws of Utah 2011, Second Special Session, Chapter 2  
**32B-6-804**, as enacted by Laws of Utah 2011, Chapter 334  
**32B-6-902**, as last amended by Laws of Utah 2019, Chapter 403  
**32B-6-904**, as last amended by Laws of Utah 2012, Fourth Special Session, Chapter 1  
**32B-6-1004**, as last amended by Laws of Utah 2021, Chapter 291  
**32B-7-202**, as last amended by Laws of Utah 2022, Chapter 447  
**32B-8-102**, as last amended by Laws of Utah 2020, Chapter 219  
**32B-8-201**, as last amended by Laws of Utah 2022, Chapter 447  
**32B-8-202**, as last amended by Laws of Utah 2020, Chapter 219  
**32B-8-401**, as last amended by Laws of Utah 2023, Chapter 371  
**32B-8b-102**, as last amended by Laws of Utah 2023, Chapter 371  
**32B-8b-201**, as last amended by Laws of Utah 2020, Chapter 219  
**32B-8b-202**, as last amended by Laws of Utah 2020, Chapter 219  
**32B-8b-301**, as last amended by Laws of Utah 2023, Chapter 371  
**32B-8d-104**, as last amended by Laws of Utah 2022, Chapter 447  
**32B-10-202**, as enacted by Laws of Utah 2010, Chapter 276  
**32B-10-303**, as last amended by Laws of Utah 2020, Sixth Special Session, Chapter 6  
**32B-10-304**, as last amended by Laws of Utah 2020, Sixth Special Session, Chapter 6  
**32B-15-201**, as last amended by Laws of Utah 2023, Chapter 400  
**59-15-101**, as last amended by Laws of Utah 2019, Chapter 336  
**59-15-109**, as last amended by Laws of Utah 2023, Chapter 396  
**63I-2-232**, as last amended by Laws of Utah 2023, Chapter 371

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### ENACTS:

**32B-2-213**, Utah Code Annotated 1953

**41-6a-531**, Utah Code Annotated 1953

**53-28-101**, Utah Code Annotated 1953

**53-28-102**, Utah Code Annotated 1953

### REPEALS:

**32B-2-210**, as last amended by Laws of Utah 2022, Chapter 447

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

Section 1. Section **32B-1-304** is amended to read:

**32B-1-304. Qualifications for a package agency, license, or permit -- Minors.**

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

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

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

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

(B) a crime involving moral turpitude; or

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

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

(i) a partner;

(ii) a managing agent;

(iii) a manager;

(iv) an officer;

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(v) a director;

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

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

(c) Except as provided in Subsection (7), the proscription under Subsection (1)(a) applies if a person who is employed to act in a supervisory or managerial capacity for a package agency, licensee, or permittee has been convicted of an offense described in Subsection (1)(a).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) For purposes of Subsection (5)(b), the commission may not consider a minor's position with or ownership interest in an entity that has an ownership interest in the entity that is applying for the package agency, license, or permit unless the minor would exercise direct decision-making control over the package agency, license, or permit.

(6) Except as described in Section 32B-8-501, if a package agent, licensee, or permittee no longer possesses the qualifications required by this title for obtaining a package agency, license, or permit, the commission may terminate the package agency agreement, or revoke the license or permit.

(7) (a) If the licensee is a resort licensee:

(i) Subsection (1)(a) only applies if an individual listed in Subsection (1)(b) engages in the management of the resort, as the commission defines in rule; and

(ii) Subsection (1)(c) only applies to an individual employed to act in a supervisory or managerial capacity for the resort licensee or in relation to a sublicense of the resort license.

(b) If the permittee is a public service permittee under Chapter 10, Special Use Permit Act:

(i) Subsection (1)(a) only applies if an individual listed in Subsection (1)(b) engages in the management of the [~~airline, railroad, or other public conveyance~~] public service permittee, as the commission defines in rule; and

(ii) Subsection (1)(c) only applies to an individual employed to act in a supervisory or managerial capacity for the public service permittee.

Section 2. Section **32B-2-205** is amended to read:



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### **32B-2-205. Director of alcoholic beverage services.**

(1) (a) In accordance with Subsection (1)(b), the governor, with the advice and consent of the Senate, shall appoint a director of alcoholic beverage services to a four-year term. The director may be appointed to more than one four-year term. The director is the administrative head of the department.

(b) (i) The governor shall appoint the director from nominations made by the commission.

(ii) The commission shall submit the nomination of three individuals to the governor for appointment of the director.

(iii) By no later than 30 calendar days from the day on which the governor receives the three nominations submitted by the commission, the governor may:

(A) appoint the director; or

(B) reject the three nominations.

(iv) If the governor rejects the nominations or fails to take action within the 30-day period, the commission shall nominate three different individuals from which the governor may appoint the director or reject the nominations until such time as the governor appoints the director.

(v) The governor may reappoint the director without seeking nominations from the commission. Reappointment of a director is subject to the advice and consent of the Senate.

(c) (i) If there is a vacancy in the position of director, during the nomination process described in Subsection (1)(b), the governor may appoint an interim director for a period of up to 30 calendar days.

(ii) If a director is not appointed within the 30-day period, the interim director may continue to serve beyond the 30-day period subject to the advice and consent of the Senate at the next scheduled time for the Senate giving consent to appointments of the governor.

(iii) Except that if the Senate does not act on the consent to the appointment of the interim director within 60 days of the end of the initial 30-day period, the interim director may continue as the interim director.

(d) The director may be terminated by:

(i) the commission by a vote of four commissioners; or

(ii) the governor after consultation with the commission.

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(e) The director may not be a commissioner.

(f) The director shall:

(i) be qualified in administration;

(ii) be knowledgeable by experience and training in the field of business management;

and

(iii) possess any other qualification prescribed by the commission.

(2) The governor shall establish the director's compensation within the salary range fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation.

(3) The director shall:

(a) carry out the policies of the commission;

(b) carry out the policies of the department;

(c) fully inform the commission of the operations and administrative activities of the department; and

(d) assist the commission in the proper discharge of the commission's duties.

(4) (a) The director shall form a workgroup that includes representatives from the following:

(i) the department;

(ii) the Division of Integrated Healthcare created in Section 26B-1-202;

(iii) the Department of Public Safety created in Section 53-10-103;

(iv) the retail alcohol industry;

(v) the bar or restaurant industry;

(vi) organizations related to alcohol and drug abuse prevention, alcohol or drug related enforcement, or alcohol or drug related education; and

(vii) any other organization or industry the director determines beneficial.

(b) (i) The workgroup shall study and make recommendations to:

(A) improve the efficacy of the alcohol training and education described in Section 26B-5-205, including recommendations related to the curriculum, development, provider, and delivery; and

(B) maintain appropriate records of cash sale transactions in bar establishments.

(ii) The workgroup shall ensure that the workgroup's recommendations under Subsection (4)(b)(i)(A) include a focus on improving training with respect to laws governing

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the responsible sale and service of alcohol.

(c) No later than September 1, 2024, the workgroup shall provide written recommendations as provided in this Subsection (4) to the Business and Labor Interim Committee.

Section 3. Section **32B-2-213** is enacted to read:

### **32B-2-213. Round up program.**

(1) The department may establish a round up program under which an individual who makes a purchase at a state store may elect to round the purchase price up to the nearest dollar.

(2) The department shall deposit money the department collects under Subsection (1) into the Pamela Atkinson Homeless ~~{Trust Fund}~~ Account created in Section 35A-16-301 to be used for substance use disorder treatment services.

Section 4. Section **32B-2-304** is amended to read:

### **32B-2-304. Liquor price -- Remittance of markup -- School lunch program -- Remittance of markup.**

(1) For purposes of this section:

(a) (i) "Landed case cost" means the sum of:

(A) the cost of the product; ~~[and]~~

(B) inbound shipping costs ~~[incurred by the department.]~~ the department incurs; and

(C) case handling costs the department incurs.

(ii) "Landed case cost" does not include the outbound shipping cost from a warehouse of the department to a state store.

(b) "Proof gallon" means the same as that term is defined in 26 U.S.C. Sec. 5002.

(2) Except as provided in Subsections (3) and (4):

(a) spirituous liquor sold by the department within the state shall be marked up in an amount not less than ~~[88%]~~ 88.5% above the landed case cost to the department;

(b) wine sold by the department within the state shall be marked up in an amount not less than ~~[88%]~~ 88.5% above the landed case cost to the department;

(c) heavy beer sold by the department within the state shall be marked up in an amount not less than 66.5% above the landed case cost to the department; and

(d) a flavored malt beverage sold by the department within the state shall be marked up in an amount not less than ~~[88%]~~ 88.5% above the landed case cost to the department.

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(3) (a) Liquor sold by the department to a military installation in Utah shall be marked up in an amount not less than 17% above the landed case cost to the department.

(b) Except for spirituous liquor sold by the department to a military installation in Utah, spirituous liquor that is sold by the department within the state shall be marked up 49% above the landed case cost to the department if:

(i) the spirituous liquor is manufactured by a manufacturer producing less than 30,000 proof gallons of spirituous liquor in a calendar year; and

(ii) the manufacturer applies to the department for a reduced markup.

(c) Except for wine sold by the department to a military installation in Utah, wine that is sold by the department within the state shall be marked up 49% above the landed case cost to the department if:

(i) (A) except as provided in Subsection (3)(c)(i)(B), the wine is manufactured by a manufacturer producing less than 20,000 gallons of wine in a calendar year; or

(B) for hard cider, the hard cider is manufactured by a manufacturer producing less than 620,000 gallons of hard cider in a calendar year; and

(ii) the manufacturer applies to the department for a reduced markup.

(d) Except for heavy beer sold by the department to a military installation in Utah, heavy beer that is sold by the department within the state shall be marked up 32% above the landed case cost to the department if:

(i) a small brewer manufactures the heavy beer; and

(ii) the small brewer applies to the department for a reduced markup.

(e) The department shall:

(i) for purposes of Subsections (3)(b) and (c), calculate the production amount of a manufacturer:

(A) by, if the manufacturer is part of a controlled group of manufacturers, including the combined volume totals of spirituous liquor, wine, or cider, as applicable, for all manufacturers that constitute the controlled group of manufacturers; and

(B) without considering the manufacturer's production of any other type of alcoholic product; and

(ii) verify that a manufacturer meets a production amount described in Subsection (3)(b) or (c) and the production amount of a small brewer [~~pursuant to~~] under a federal or other

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verifiable production report.

(f) A manufacturer seeking to obtain a reduced markup under Subsection (3)(b), (c), or (d), shall provide to the department any documentation or information the department determines necessary to determine if the manufacturer is part of a controlled group of manufacturers.

(g) The department may, at any time, revoke a reduced markup granted to a manufacturer under Subsection (3)(b), (c), or (d), if the department determines the manufacturer no longer qualifies for the reduced markup.

(4) Wine the department purchases on behalf of a subscriber through the wine subscription program established in Section 32B-2-702 shall be marked up not less than ~~[88%]~~ 88.5% above the cost of the subscription for the interval in which the wine is purchased.

(5) The department shall deposit 10% of the total gross revenue from sales of liquor with the state treasurer to be credited to the Uniform School Fund and used to support the school meals program administered by the State Board of Education under Section 53E-3-510.

(6) (a) Each month, the department shall collect from each package agency located at a manufacturing facility owned or operated by a person licensed under Chapter 11, Manufacturing and Related Licenses Act, 12.295% of the package agency's reported monthly revenue and deposit the money as follows:

(i) 1.695% of the reported monthly revenue into the Alcoholic Beverage Control Act Enforcement Fund;

(ii) 10% of the reported monthly revenue into the Uniform School Fund and used to support the school meals program administered by the State Board of Education under Section 53E-3-510; and

(iii) 0.60% of the reported monthly revenue into the Underage Drinking Prevention Media and Education Campaign Restricted Account.

(b) The department may collect a fee established in accordance with Section 63J-1-504 from a package agency described in this subsection to cover the costs of regulation.

~~[(6)]~~ (7) This section does not prohibit the department from selling discontinued items at a discount.

(8) The Legislature shall annually appropriate to support substance use disorder treatment services, an amount equal to the revenue generated from a 0.5% markup above the

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### landed case cost to the department on spirituous liquor

Section 5. Section **32B-2-305** is amended to read:

#### **32B-2-305. Alcoholic Beverage Control Act Enforcement Fund.**

(1) As used in this section:

(a) "Alcohol-related law enforcement officer" means the same as that term is defined in Section 32B-1-201.

(b) "Drug-related law enforcement officer" means a law enforcement officer employed by the Department of Public Safety who has enforcement of drug-related offenses as a primary responsibility.

(c) "Enforcement ratio" means the same as that term is defined in Section 32B-1-201.

(d) "Fund" means the Alcoholic Beverage Control Act Enforcement Fund created in this section.

(e) "SBI drug-related law enforcement officer" means a law enforcement officer employed by the State Bureau of Investigation within the Department of Public Safety who has investigation of drug-related offenses as a primary responsibility.

(f) "Social worker" means an individual licensed under Title 58, Chapter 60, Part 2, Social Worker Licensing Act, and employed by the Department of Public Safety who has provision of caseworker services to individuals under 21 years old as a primary responsibility.

(2) There is created an expendable special revenue fund known as the "Alcoholic Beverage Control Act Enforcement Fund."

(3) (a) The fund consists of:

(i) deposits made under Subsection (4); ~~and~~

(ii) deposits made under Section 59-15-109; and

~~(iii)~~ (iii) interest earned on the fund.

(b) (i) The fund shall earn interest.

(ii) Interest on the fund shall be deposited into the fund.

(4) After the deposit made under Section 32B-2-304 for the school lunch program, the department shall deposit 1.695% of the total gross revenue from the sale of liquor with the state treasurer to be credited to the fund ~~[to be]~~.

(5) The deposits made under Subsection (4) and Section 59-15-109 shall be:

(a) used by the Department of Public Safety as provided in Subsection ~~[(5)]~~ (6); and

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(b) reallocated to the General Fund as described in Subsection [~~(6)~~] (7).

[~~(5)~~] (6) (a) The Department of Public Safety shall expend money from the fund to:

(i) supplement appropriations by the Legislature so that the Department of Public Safety maintains a sufficient number of alcohol-related law enforcement officers such that each year the enforcement ratio as of July 1 is equal to or less than the number specified in Section 32B-1-201; and

(ii) maintain at least:

(A) 10 drug-related law enforcement officers;

(B) eight SBI drug-related law enforcement officers; [~~and~~]

(C) two social workers[~~;~~]; and

(D) three additional alcohol-related law enforcement officers who are dedicated to compliance or enforcement of this title.

(b) Four of the alcohol-related law enforcement officers described in Subsection [~~(5)(a)(i)~~] (6)(a)(i) shall have as a primary focus the enforcement of this title in relationship to restaurants.

[~~(6)~~] (7) For fiscal year 2023, the Division of Finance shall deposit into the General Fund \$3 million of unspent money in the fund.

Section 6. Section **32B-2-503** is amended to read:

### **32B-2-503. Operational requirements for a state store.**

(1) (a) A state store shall display in a prominent place in the store a sign in large letters that consists of text in the following order:

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

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

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

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

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

(b) (i) The text described in Subsections (1)(a)(i) through (iii) shall be in a different font style than the text described in Subsections (1)(a)(iv) and (v).

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(ii) The warning statements in the sign described in Subsection (1)(a) shall be in the same font size.

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

(2) A state store may not sell, offer for sale, or furnish liquor except at a price fixed by the commission.

(3) A state store may not sell, offer for sale, or furnish liquor to:

- (a) a minor;
- (b) a person actually, apparently, or obviously intoxicated;
- (c) a known interdicted person; or
- (d) a known habitual drunkard.

(4) (a) A state store employee may not:

- (i) consume an alcoholic product on the premises of a state store; or
- (ii) allow any person to consume an alcoholic product on the premises of a state store.

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

(5) (a) Sale or delivery of liquor may not be made on or from the premises of a state store, and a state store may not be kept open for the sale of liquor:

- (i) on Sunday; or
- (ii) on a state or federal legal holiday.

(b) Sale or delivery of liquor may be made on or from the premises of a state store, and a state store may be open for the sale of liquor, only on a day and during hours that the commission directs by rule or order.

(6) (a) A minor may not be admitted into, or be on the premises of, a state store unless accompanied by a person who is:

- (i) 21 years of age or older; and
- (ii) the minor's parent, legal guardian, or spouse.

(b) A state store employee that has reason to believe that a person who is on the premises of a state store is under the age of 21 and is not accompanied by a person described in Subsection (6)(a) may:

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



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

(c) A state store employee shall refuse to sell liquor to the suspected minor and to the person who accompanies the suspected minor into the state store if the suspected minor or person fails to provide information specified in Subsection (6)(b).

(d) A state store employee shall require a suspected minor and the person who accompanies the suspected minor into the state store to immediately leave the premises of the state store if the suspected minor or person fails to provide information specified in Subsection (6)(b).

(7) (a) A state store may not sell, offer for sale, or furnish liquor except in a sealed container.

(b) A person may not open a sealed container on the premises of a state store.

(8) On or after October 1, 2011, a state store may not sell, offer for sale, or furnish heavy beer in a sealed container that exceeds two liters.

(9) A state store may not sell, offer for sale, or furnish:

(a) liquor that is intended to be frozen and consumed in manner other than as a beverage, including liquor in the form of a freeze pop, popsicle, ice cream, or sorbet; or

(b) liquor that contains more than 80% alcohol by volume.

Section 7. Section 32B-2-605 is amended to read:

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

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

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

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

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

(iii) A package agency agreement shall provide procedures to be followed if a package agent fails to pay money owed to the department including a procedure for replacing the

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package agent or operator of the package agency.

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

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

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

(i) the package agent; or

(ii) an individual designated by the package agent.

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

(i) an employee of the package agent; and

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

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

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

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

(f) A package agent shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) in person; and

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

(iii) staff of the package agency does not leave the alcoholic product outside a guest

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room for retrieval by a guest; and

(iv) the alcoholic product:

(A) is not a spirituous liquor; and

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

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

(a) a minor;

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

(c) a known interdicted person; or

(d) a known habitual drunkard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- (ii) the reason for the closure or cessation of operation; and
- (iii) the date on which the package agency will reopen or resume operation.

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

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

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

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

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

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

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

- (A) on Sunday; or
- (B) on a state or federal legal holiday; and

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

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

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

(ii) the package agency only sells an alcoholic product produced at the manufacturing facility.

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

- (A) a resort licensee; or

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(B) a hotel licensee.

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

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

(i) 21 years old or older; and

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

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

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

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

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

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

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

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

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

(c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or furnish liquor in other than a sealed container:

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

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

(iii) subject to:

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

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

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

(16) A package agency may not sell, offer for sale, or furnish:

(a) heavy beer in a sealed container that exceeds two liters[-]; or

(b) liquor that contains more than 80% alcohol by volume.

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

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

(a) physical facilities;

(b) conditions of operation;

(c) hours of operation;

(d) inventory levels;

(e) payment schedules;

(f) methods of payment;

(g) premises security; and

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

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

Section ~~{7}~~8. Section **32B-3-203** is amended to read:

### **32B-3-203. Initiating a disciplinary proceeding.**

Subject to Section 32B-3-202:

(1) ~~[The department {1} may]~~ Subject to Subsection (3), the department shall initiate a disciplinary proceeding described in Subsection (2) if the department ~~[receives]:~~

(a) receives a report from an investigator alleging that a person subject to administrative action violated this title or the rules of the commission;

(b) ~~[a final adjudication of criminal liability]~~ receives notice of criminal proceedings against a person subject to administrative action on the basis of an alleged violation of this

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title; [or]

(c) ~~[a final adjudication of civil liability in accordance with]~~ receives notice of civil proceedings in accordance with Chapter 15, Alcoholic Product Liability Act, against a person subject to administrative action on the basis of an alleged violation of this title[-]; or

(d) otherwise becomes aware that a person subject to administrative action on the basis of an alleged violation of this title may have violated this title or commission rule.

(2) ~~[If the condition of Subsection (1) is met {}]~~ Subject to Subsection (3), if a condition in Subsection (1) is met, the department shall:

(a) ~~[the department may]~~ initiate a disciplinary proceeding to determine:

~~[(a)]~~ (i) whether a person subject to administrative action violated this title or rules of the commission; and

~~[(b)]~~ (ii) if a violation is found, the appropriate sanction to be imposed[-]; and

(b) refer the matter to the State Bureau of Investigation, created in Section 53-10-301.

(3) The department is not required to initiate a disciplinary proceeding described in Subsection (2) if after reviewing the information described in Subsection (1), the department determines:

(a) that there is no basis for initiating a disciplinary proceeding; or

(b) in consultation with the prosecutor or plaintiff's counsel, as applicable, that initiating a disciplinary proceeding would pose a significant risk of interfering with a criminal or civil proceeding.

~~[(3)]~~ (4) (a) Unless waived by the respondent, a disciplinary proceeding shall be held:

(i) if required by law;

(ii) before revoking or suspending a license, permit, or certificate of approval issued under this title; or

(iii) before imposing a fine against a person subject to administrative action.

(b) Inexcusable failure of a respondent to appear at a scheduled disciplinary proceeding hearing after receiving proper notice is an admission of the charged violation.

(c) The validity of a disciplinary proceeding is not affected by the failure of a person to attend or remain in attendance.

~~{~~ Section 8. Section 32B-4-401 is amended to read:

~~—~~ 32B-4-401. Unlawful sale or furnishing.



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

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

~~—— (a) the department;~~

~~—— (b) a military installation;~~

~~—— (c) a holder of a special use permit, to the extent authorized in the special use permit;~~  
or

~~—— (d) a liquor warehouse licensee licensed to distribute and transport liquor to:~~

~~—— (i) the department; or~~

~~—— (ii) an out-of-state wholesaler or retailer.~~

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

~~—— (i) a beer wholesaler licensee;~~

~~—— (ii) a military installation; or~~

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

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

~~—— (i) a beer retailer; or~~

~~—— (ii) an event permittee.~~

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

~~—— (i) the department;~~

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- ~~—— (ii) a military installation;~~
- ~~—— (iii) a holder of a special use permit, to the extent authorized in the special use permit;~~
- ~~or~~
- ~~—— (iv) a liquor warehouser licensee who is licensed to distribute and transport liquor to:~~
- ~~—— (A) the department; or~~
- ~~—— (B) an out-of-state wholesaler or retailer.~~
- ~~—— (b) Subsection (4)(a) does not preclude a winery manufacturing licensee located in this state from selling wine to a person on its winery premises:~~
- ~~—— (i) to the extent authorized by Subsection 32B-11-303(4); or~~
- ~~—— (ii) under a package agency issued by the commission on the winery premises.~~
- ~~—— (c) Subsection (4)(a) does not preclude a distillery manufacturing licensee located in this state from selling liquor on its distillery premises:~~
- ~~—— (i) to the extent authorized in Subsection 32B-11-403(5); or~~
- ~~—— (ii) under a package agency issued by the commission on the distillery premises.~~
- ~~—— (d) Subsection (4)(a) does not preclude a brewery manufacturing licensee located in this state from selling heavy beer or flavored malt beverages on its brewery premises:~~
- ~~—— (i) to the extent authorized under Subsection 32B-11-503(4); or~~
- ~~—— (ii) under a package agency issued by the commission on its brewery premises.~~
- ~~—— (5) (a) It is unlawful for a manufacturer, supplier, or importer of beer in this state, or staff of the manufacturer, supplier, or importer to sell, ship, transport, or cause to be sold, shipped, or transported beer directly or indirectly to a person in this state except to the extent authorized by this title to:~~
- ~~—— (i) a beer wholesaler licensee;~~
- ~~—— (ii) a military installation; or~~
- ~~—— (iii) a holder of a special use permit, to the extent authorized in the special use permit.~~
- ~~—— (b) Subsection (5)(a) does not preclude:~~
- ~~—— (i) a small brewer who is a brewery manufacturing licensee located in this state from selling, shipping, and transporting beer to the extent authorized by Subsection 32B-11-503(5) directly to one of the following in this state:~~
- ~~—— (A) a beer retailer; or~~
- ~~—— (B) an event permittee; or~~

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~~—— (ii) a brewery manufacturing licensee from selling beer to a person on its manufacturing premises under Subsection 32B-11-503(4)(c).~~

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

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

~~—— (8) It is unlawful for a person in the business of selling liquor, a manufacturer, a supplier, or an importer of liquor in this state, or staff of the person, manufacturer, supplier, or importer to keep for sale, or to directly or indirectly, sell, offer for sale, or furnish to another, liquor that contains more than 80% alcohol by volume.~~

~~—— [(8)] (9) (a) A violation of Subsection (1) is a class B misdemeanor, except when otherwise provided by this title.~~

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

~~—— (c) A violation of Subsection [(6) or (7)] (6), (7), or (8) is a class B misdemeanor.~~

‡ Section 9. Section **32B-4-422** is amended to read:

### **32B-4-422. Unlawful dispensing.**

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

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

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

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

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

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

- (A) a full-service restaurant licensee;
- (B) a person operating under a full-service restaurant sublicense;
- (C) an on-premise banquet licensee;
- (D) a person operating under an on-premise banquet sublicense; ~~[or]~~
- (E) a single event permittee~~[-];~~ or
- (F) a hospitality amenity licensee.

(2) A violation of this section is a class C misdemeanor.

Section 10. Section **32B-4-424** is amended to read:

### **32B-4-424. Powdered or vaporized alcohol.**

(1) As used in this section~~["powdered alcohol"]~~:

(a) "Powdered alcohol" means a product that is in a powdered or crystalline form and contains any amount of alcohol.

(b) "Vaporized alcohol" means a product created by mixing alcohol with pure oxygen or another gas to produce a vaporized product for the purpose of consumption through inhalation.

(2) It is unlawful for a person to use, offer for use, purchase, offer to purchase, sell, offer to sell, furnish, or possess ~~[powdered alcohol]~~ for human consumption powdered alcohol or vaporized alcohol.

(3) It is unlawful for a holder of a retail license to use powdered alcohol or vaporized alcohol as an alcoholic product.

(4) This section does not apply to the use of powdered alcohol or vaporized alcohol for a commercial use specifically approved by state law or bona fide research purposes by a:

(a) health care practitioner that operates primarily for the purpose of conducting scientific research;

(b) department, commission, board, council, agency, institution, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the state, including a state institution of higher education listed in Section 53B-2-101;

(c) private college or university research facility; or

(d) pharmaceutical or biotechnology company.

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Section 11. Section **32B-4-501** is amended to read:

### **32B-4-501. Operating without a license or permit.**

(1) A person may not operate the following businesses without first obtaining a license under this title if the business allows a person to purchase or consume an alcoholic product on the premises of the business:

- (a) a restaurant;
- (b) an airport lounge;
- (c) a business operated in the same manner as a bar establishment licensee;
- (d) a resort;
- (e) a business operated to sell, offer for sale, or furnish beer for on-premise consumption;
- (f) a business operated as an on-premise banquet licensee;
- (g) a hotel; ~~[or]~~
- (h) an arena; or
- ~~[(h)]~~ (i) a business similar to one listed in Subsections (1)(a) through ~~[(g)]~~ (h).

(2) A person conducting an event that is open to the general public may not directly or indirectly sell, offer for sale, or furnish an alcoholic product to a person attending the event without first obtaining an event permit under this title.

(3) A person conducting a private event may not directly or indirectly sell or offer for sale an alcoholic product to a person attending the private event without first obtaining an event permit under this title.

(4) A person may not operate the following businesses in this state without first obtaining a license under this title:

- (a) a winery manufacturer;
- (b) a distillery manufacturer;
- (c) a brewery manufacturer;
- (d) a local industry representative of:
  - (i) a manufacturer of an alcoholic product;
  - (ii) a supplier of an alcoholic product; or
  - (iii) an importer of an alcoholic product;
- (e) a liquor warehouser; or

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(f) a beer wholesaler.

(5) A person may not operate a public conveyance in this state without first obtaining a public service permit under this title if that public conveyance allows a person to purchase or consume an alcoholic product:

(a) on the public conveyance; or

(b) on the premises of a hospitality room located within a depot, terminal, or similar facility at which a service is provided to a patron of the public conveyance.

Section 12. Section **32B-5-201** is amended to read:

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

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

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

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

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

(b) a nonrefundable application fee in the amount specified in the relevant chapter or part for the type of retail license for which the person is applying;

(c) an initial license fee:

(i) in the amount specified in the relevant chapter or part for the type of retail license for which the person is applying; and

(ii) that is refundable if a retail license is not issued;

(d) written consent of the local authority, including, if applicable, consent for each proposed sublicense;

(e) a copy of:

(i) every license the local authority requires, including the person's current business license; and

(ii) if the person is applying for a principal license, the current business license for each proposed sublicense, except if the local authority determines that the business license for a proposed sublicense is included in the person's current business license;

(f) evidence of the proposed retail licensee's proximity to any community location, with

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proximity requirements being governed by Section 32B-1-202;

(g) a bond as specified by Section 32B-5-204;

(h) a floor plan, and boundary map where applicable, of the premises of the retail license and each, if any, accompanying sublicense, including any:

(i) consumption area; and

(ii) area where the person proposes to store, sell, offer for sale, or furnish an alcoholic beverage;

(i) evidence that the retail licensee carries public liability insurance in an amount and form satisfactory to the department;

(j) evidence that the retail licensee carries dramshop insurance coverage of at least:

(i) \$1,000,000 per occurrence and \$2,000,000 in the aggregate;

(ii) if the retail licensee is a hotel licensee or a resort licensee, \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both the principal license and all accompanying sublicenses; or

(iii) if the retail licensee is an arena licensee, \$10,000,000 per occurrence and \$20,000,000 in the aggregate to cover both the arena license and all accompanying sublicenses[-];

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

(i) the premises of the retail licensee; and

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

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

(m) a responsible alcohol service plan;

(n) evidence that each individual the person has hired to work as a retail manager, as defined in Section 32B-1-701, has completed the alcohol training and education seminar as required under Chapter 1, Part 7, Alcohol Training and Education Act; and

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

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

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- (a) is disqualified under Section 32B-1-304; or
- (b) is not lawfully present in the United States.

(4) Unless otherwise provided in the relevant chapter or part for the type of retail license for which the person is applying, the commission may not issue a retail license to a person if the proposed licensed premises does not meet the proximity requirements of Section 32B-1-202.

(5) The commission may not deny an application for a retail license, an application for a conditional retail license under Section 32B-5-205, or an application for a sublicense under Chapter 8d, Sublicense Act, if:

- (a) the applicant satisfies the requirements of this chapter; and
- (b) for a retail license or a conditional retail license, granting the retail license or the conditional retail license would not cause the commission to exceed the maximum number of licenses of that retail license type that the commission is authorized to issue under this chapter.

Section 13. Section **32B-5-304** is amended to read:

### **32B-5-304. Portions in which alcoholic product may be sold.**

(1) (a) A retail licensee may sell, offer for sale, or furnish spirituous liquor that is a primary spirituous liquor only in a quantity that does not exceed 1.5 ounces per beverage dispensed through a calibrated metered dispensing system approved by the department in accordance with commission rules adopted under this title.

(b) A retail license is not required to dispense spirituous liquor through a calibrated metered dispensing system if the spirituous liquor is:

- (i) a secondary flavoring ingredient;
- (ii) used as a flavoring on a dessert; [or]
- (iii) used to set aflame a food dish, drink, or dessert[-]; or
- (iv) in a beverage that:

(A) is served to a patron in the original, sealed container;

(B) is not more than 12 ounces;

(C) contains no more than 10% alcohol by volume or 8% by weight; and

(D) is in a container that has the alcohol by volume percentage on the front label and in a font that measures at least three millimeters high.



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(c) A retail licensee that dispenses spirituous liquor that is a secondary flavoring ingredient shall:

(i) designate a location where the retail licensee stores secondary flavoring ingredients on the floor plan the retail licensee submits to the department; and

(ii) clearly and conspicuously label each secondary flavoring ingredient's container "flavorings".

(d) (i) A patron may have no more than 2.5 ounces of spirituous liquor at a time.

(ii) Subsection (1)(d)(i) does not apply to a beverage described in Subsection (1)(b)(iv).

(2) (a) (i) A retail licensee may sell, offer for sale, or furnish wine by the glass or in an individual portion that does not exceed 5 ounces per glass or individual portion.

(ii) A retail licensee may sell, offer for sale, or furnish an individual portion of wine to a patron in more than one glass if the total amount of wine does not exceed 5 ounces.

(b) (i) A retail licensee may sell, offer for sale, or furnish wine in a container not exceeding 1.5 liters at a price fixed by the commission to a table of four or more persons.

(ii) A retail licensee may sell, offer for sale, or furnish wine in a container not to exceed 750 milliliters at a price fixed by the commission to a table of less than four persons.

(c) Notwithstanding Subsections (2)(a) and (b), a retail licensee may sell, offer for sale, or furnish hard cider that contains no more than 5% of alcohol by volume in a sealed container not to exceed 16 ounces.

(3) A retail licensee may sell, offer for sale, or furnish heavy beer in an original container at a price fixed by the commission, except that the original container may not exceed one liter.

(4) A retail licensee may sell, offer for sale, or furnish a flavored malt beverage in an original container at a price fixed by the commission, except that the original container may not exceed one liter.

(5) (a) (i) Subject to Subsection (5)(a)(ii), a retail licensee may sell, offer for sale, or furnish beer for on-premise consumption:

(A) in an open original container; and

(B) in a container on draft.

(ii) A retail licensee may not sell, offer for sale, or furnish beer under Subsection (5)(a)(i):

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- (A) in a size of container that exceeds two liters; or
- (B) to an individual patron in a size of container that exceeds one liter.
- (b) A retail licensee may sell, offer for sale, or furnish beer for off-premise

consumption:

- (i) in a sealed container; and
- (ii) in a size of container that does not exceed two liters.
- (c) A retail licensee may sell, offer for sale, or furnish a flight of beer to an individual patron if the total amount of beer does not exceed 16 ounces.

Section 14. Section **32B-6-203** is amended to read:

### **32B-6-203. Commission's power to issue full-service restaurant license.**

(1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on its premises as a full-service restaurant, the person shall first obtain a full-service restaurant license from the commission in accordance with this part.

(2) The commission may issue a full-service restaurant license to establish full-service restaurant licensed premises at places and in numbers the commission considers proper for the storage, sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated as a full-service restaurant.

(3) Subject to Section 32B-1-201:

(a) the commission may not issue a total number of full-service restaurant licenses that at any time exceeds the sum of:

- (i) 30; and
- (ii) the number determined by dividing the population of the state by [~~4,467~~];
  - (A) before July 1, 2024, 4,467;
  - (B) in fiscal year 2025, 4,281;
  - (C) in fiscal year 2026, 4,095;
  - (D) in fiscal year 2027, 3,909;
  - (E) in fiscal year 2028, 3,723;
  - (F) in fiscal year 2029, 3,537;
  - (G) in fiscal year 2030, 3,351; and
  - (H) in fiscal year 2031, and in each fiscal year thereafter, 3,167;

(b) the commission may issue a seasonal full-service restaurant license in accordance

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with Section 32B-5-206; and

(c) (i) if the location, design, and construction of a hotel may require more than one full-service restaurant sales location within the hotel to serve the public convenience, the commission may authorize the sale, offer for sale, or furnishing of an alcoholic product at as many as three full-service restaurant locations within the hotel under one full-service restaurant license if:

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

(B) the locations under the full-service restaurant license are:

(I) within the same hotel; and

(II) on premises that are managed or operated, and owned or leased, by the full-service restaurant licensee; and

(ii) except for a hotel, a facility shall have a separate full-service restaurant license for each full-service restaurant where an alcoholic product is sold, offered for sale, or furnished.

(4) Except as otherwise provided in Section 32B-1-202, the commission may not issue a full-service restaurant license for premises that do not meet the proximity requirements of Subsection 32B-1-202(2).

(5) To be licensed as a full-service restaurant, a person shall maintain at least 70% of the restaurant's gross revenues from the sale of food, which does not include:

(a) mix for an alcoholic product; or

(b) a service charge.

Section 15. Section **32B-6-204** is amended to read:

### **32B-6-204. Specific licensing requirements for full-service restaurant license.**

(1) To obtain a full-service restaurant license a person shall comply with Chapter 5, Part 2, Retail Licensing Process.

(2) (a) A full-service restaurant license expires on October 31 of each year.

(b) To renew a person's full-service restaurant license, a person shall comply with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

(3) (a) The nonrefundable application fee for a full-service restaurant license is \$330.

(b) (i) The initial license fee for a full-service restaurant license is \$2,200.

(ii) The department shall prorate the \$2,200 initial license fee for the period that begins

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the day on which the initial license fee is paid and ends the day on which the full-service restaurant license expires.

(c) The renewal fee for a full-service restaurant license is \$1,650.

(4) The bond amount required for a full-service restaurant license is the penal sum of \$10,000.

Section 16. Section **32B-6-206** is amended to read:

### **32B-6-206. Master full-service restaurant license.**

(1) (a) The commission may issue a master full-service restaurant license that authorizes a person to store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on premises at multiple locations as full-service restaurants if the person applying for the master full-service restaurant license:

(i) owns each of the full-service restaurants;

(ii) except for the fee requirements, establishes to the satisfaction of the commission that each location of a full-service restaurant under the master full-service restaurant license separately meets the requirements of this part; and

(iii) the master full-service restaurant license includes at least five full-service restaurant locations.

(b) The person seeking a master full-service restaurant license shall designate which full-service restaurant locations the person seeks to have under the master full-service restaurant license.

(c) A full-service restaurant location under a master full-service restaurant license is considered separately licensed for purposes of this title, except as provided in this section.

(2) A master full-service restaurant license and each location designated under Subsection (1) are considered a single full-service restaurant license for purposes of Subsection 32B-6-203(3)(a).

(3) (a) A master full-service restaurant license expires on October 31 of each year.

(b) To renew a person's master full-service restaurant license, a person shall comply with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

(4) (a) The nonrefundable application fee for a master full-service restaurant license is \$330.

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(b) (i) The initial license fee for a master full-service restaurant license is \$5,000 plus a separate initial license fee for each newly licensed full-service restaurant ~~[license]~~ location under the master full-service restaurant license determined in accordance with Subsection 32B-6-204(3)(b).

(ii) The department ~~[may]~~ shall prorate the \$5,000 initial license fee ~~[based on the number of months out of a year the master full-service restaurant licensee is licensed before]~~ for the period that begins the day on which the initial license fee is paid and ends the day on which the master full-service restaurant license expires.

(c) To renew a master full-service restaurant license the master full-service restaurant licensee shall pay a separate renewal fee for each full-service ~~[license]~~ restaurant location under the master full-service restaurant license ~~[determined]~~ in accordance with Subsection 32B-6-204(3)(c).

(5) A new location may be added to a master full-service restaurant license after the master full-service restaurant license is issued if:

(a) the master full-service restaurant licensee pays a nonrefundable application fee of \$330; and

(b) including payment of the initial license fee, the location separately meets the requirements of this part.

(6) (a) A master full-service restaurant licensee shall notify the department of a change in the persons managing a location covered by a master full-service restaurant license:

(i) immediately, if the management personnel is not management personnel at a location covered by the master full-service restaurant licensee at the time of the change; or

(ii) within 30 days of the change, if the master full-service restaurant licensee is transferring management personnel from one location to another location covered by the master full-service restaurant licensee.

(b) A location covered by a master full-service restaurant license shall keep the location's own records on the location's premises so that the department may audit the records.

(c) A master full-service restaurant licensee may not transfer alcoholic products between different locations covered by the master full-service restaurant license.

(7) If there is a violation of this title at a location covered by a master full-service restaurant license, the violation may result in disciplinary action in accordance with Chapter 3,

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Disciplinary Actions and Enforcement Act, against:

- (a) the single location under a master full-service restaurant license;
- (b) individual staff of the location under the master full-service restaurant license; or
- (c) a combination of persons or locations described in Subsections (7)(a) and (b).

(8) The commission may make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish how a person may apply for a master full-service restaurant license under this section.

Section 17. Section **32B-6-302** is amended to read:

### **32B-6-302. Definitions.**

As used in this part:

(1) (a) "Dining area" means an area in the licensed premises of a limited-service restaurant licensee that is primarily used for the service and consumption of food by one or more patrons.

(b) "Dining area" does not include a dispensing area.

(2) (a) "Dispensing area" means an area in the licensed premises of a limited-service restaurant licensee where a dispensing structure is located and that:

(i) is physically separated from the dining area and any waiting area by a structure or other barrier that prevents a patron seated in the dining area or a waiting area from viewing the dispensing of alcoholic product;

(ii) except as provided in Subsection (2)(b), measures at least 10 feet from the dining area and any waiting area to the nearest edge of the dispensing structure; or

(iii) is physically separated from the dining area and any waiting area by a permanent physical structure that complies with the provisions of Title 15A, State Construction and Fire Codes Act, and, to the extent allowed under Title 15A, State Construction and Fire Codes Act, measures:

(A) at least 42 inches high; and

(B) at least 60 inches from the inside edge of the barrier to the nearest edge of the dispensing structure.

(b) "Dispensing area" does not include any area described in Subsection (2)(a)(ii) that is less than 10 feet from an area where alcoholic product is dispensed, but from which a patron seated at a table or counter cannot view the dispensing of alcoholic product.

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(3) "Small limited-service restaurant licensee" means a limited-service restaurant licensee [~~that has a grandfathered bar structure~~] whose dispensing area includes more than 45% of the available seating for patrons on the licensed premises, excluding outdoor seating:

- (a) when measured in accordance with Subsection (2)(a)(ii); and
  - (b) based on the licensee's floor plan on file with the department on July 1, 2017.
- (4) "Waiting area" includes a lobby.

Section 18. Section **32B-6-304** is amended to read:

### **32B-6-304. Specific licensing requirements for limited-service restaurant license.**

(1) To obtain a limited-service restaurant license a person shall comply with Chapter 5, Part 2, Retail Licensing Process.

(2) (a) A limited-service restaurant license expires on October 31 of each year.

(b) To renew a person's limited-service restaurant license, a person shall comply with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

(3) (a) The nonrefundable application fee for a limited-service restaurant license is \$330.

(b) (i) The initial license fee for a limited-service restaurant license is \$1,275.

(ii) The department shall prorate the \$1,275 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the limited-service restaurant license expires.

(c) The renewal fee for a limited-service restaurant license is \$750.

(4) The bond amount required for a limited-service restaurant license is the penal sum of \$5,000.

Section 19. Section **32B-6-306** is amended to read:

### **32B-6-306. Master limited-service restaurant license.**

(1) (a) The commission may issue a master limited-service restaurant license that authorizes a person to store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on premises at multiple locations as limited-service restaurants if the person applying for the master limited-service restaurant license:

- (i) owns each of the limited-service restaurants;
- (ii) except for the fee requirements, establishes to the satisfaction of the commission

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that each location of a limited-service restaurant under the master limited-service restaurant license separately meets the requirements of this part; and

(iii) the master limited-service restaurant includes at least five limited-service restaurant locations.

(b) The person seeking a master limited-service restaurant license shall designate which limited-service restaurant locations the person seeks to have under the master limited-service restaurant license.

(c) A limited-service restaurant location under a master limited-service restaurant license is considered separately licensed for purposes of this title, except as provided in this section.

(2) A master limited-service restaurant license and each location under Subsection (1) are considered a single limited-service restaurant license for purposes of Subsection 32B-6-303(3)(a).

(3) (a) A master limited-service restaurant license expires on October 31 of each year.

(b) To renew a person's master limited-service restaurant license, a person shall comply with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

(4) (a) The nonrefundable application fee for a master limited-service restaurant license is \$330.

(b) (i) The initial license fee for a master limited-service restaurant license is \$5,000 plus a separate initial license fee for each newly licensed limited-service restaurant license under the master limited-service restaurant license determined in accordance with Subsection 32B-6-304(3)(b).

(ii) The department shall prorate the \$5,000 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the master limited-service restaurant license expires.

(c) The renewal fee for a master limited-service restaurant license is \$500 plus a separate renewal fee for each limited-service license under the master limited-service restaurant license determined in accordance with Subsection 32B-6-304(3)(c).

(5) A new location may be added to a master limited-service restaurant license after the master limited-service restaurant license is issued if:



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(a) the master limited-service restaurant licensee pays a nonrefundable application fee of \$330; and

(b) including payment of the initial license fee, the location separately meets the requirements of this part.

(6) (a) A master limited-service restaurant licensee shall notify the department of a change in the persons managing a location covered by a master limited-service restaurant license:

(i) immediately, if the management personnel is not management personnel at a location covered by the master limited-service restaurant licensee at the time of the change; or

(ii) within 30 days of the change, if the master limited-service restaurant licensee is transferring management personnel from one location to another location covered by the master limited-service restaurant licensee.

(b) A location covered by a master limited-service restaurant license shall keep its own records on its premises so that the department may audit the records.

(c) A master limited-service restaurant licensee may not transfer alcoholic products between different locations covered by the master limited-service restaurant license.

(7) (a) If there is a violation of this title at a location covered by a master limited-service restaurant license, the violation may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

(i) the single location under a master limited-service restaurant license;

(ii) individual staff of the location under the master limited-service restaurant license;

or

(iii) a combination of persons or locations described in Subsections (7)(a)(i) and (ii).

(b) In addition to disciplinary action under Subsection (7)(a), disciplinary action in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, may be taken against a master limited-service restaurant licensee or individual staff of the master limited-service restaurant licensee if during a period beginning on November 1 and ending October 31:

(i) at least 25% of the locations covered by the master limited-service restaurant license have been found by the commission to have committed a serious or grave violation of this title, as defined by rule made by the commission; or

(ii) at least 50% of the locations covered by the master limited-service restaurant

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license have been found by the commission to have violated this title.

(8) The commission may make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish how a person may apply for a master limited-service restaurant license under this section.

Section 20. Section **32B-6-403** is amended to read:

### **32B-6-403. Commission's power to issue bar establishment license.**

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

(2) The commission may issue a bar establishment license to establish bar establishment licensed premises at places and in numbers the commission considers proper for the storage, sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated by a bar establishment licensee.

(3) Subject to Section 32B-1-201:

(a) the commission may not issue a total number of bar establishment licenses that at any time exceeds the sum of:

(i) 15; and

(ii) the number determined by dividing the population of the state by [~~10,200~~];

(A) before fiscal July 1, 2024, 10,200;

(B) in fiscal year 2025, 9,778;

(C) in fiscal year 2026, 9,356;

(D) in fiscal year 2027, 8,934;

(E) in fiscal year 2028, 8,512;

(F) in fiscal year 2029, 8,090;

(G) in fiscal year 2030, 7,668; and

(H) in fiscal year 2031, and in each fiscal year thereafter, 7,246;

(b) the commission may issue a seasonal bar establishment license in accordance with Section 32B-5-206 to a bar licensee;

(c) the commission may authorize as many as three bar establishment license locations within a hotel under one bar establishment license if:

(i) the location, design, and construction of the hotel requires more than one bar license

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location within the hotel to serve the public convenience;

(ii) the hotel has a minimum of 150 guest rooms;

(iii) all locations under the bar establishment license are:

(A) within the same hotel; and

(B) on premises that are managed or operated, and owned or leased, by the bar establishment licensee;

(d) the commission may authorize up to five dispensing [~~structures~~] locations under one equity license if the locations under the equity license:

(i) are connected by a private roadway to which the equity licensee, each member of the equity licensee, and each guest has a legal right of access; and

(ii) are located on premises managed or operated, and owned or leased, by the equity licensee;

(e) except for a facility operating in accordance with Subsection (3)(d) or a hotel, a facility shall have a separate bar establishment license for each bar establishment license location where an alcoholic product is sold, offered for sale, or furnished;

(f) when a business establishment undergoes a change of ownership, the commission may issue a bar establishment license to the new owner of the business establishment notwithstanding that there is no bar establishment license available under Subsection (3)(a) if:

(i) the primary business activity at the business establishment before and after the change of ownership is not the sale, offer for sale, or furnishing of an alcoholic product;

(ii) before the change of ownership there are two or more licensed premises on the business establishment that operate under a retail license, with at least one of the retail licenses being a bar establishment license;

(iii) subject to Subsection (3)(g) the licensed premises of the bar establishment license issued under this Subsection (3)(f) is at the same location where the bar establishment license licensed premises was located before the change of ownership; and

(iv) the person who is the new owner of the business establishment qualifies for the bar establishment license, except for there being no bar establishment license available under Subsection (3)(a); and

(g) if a bar establishment licensee of a bar establishment license issued under Subsection (3)(f) requests a change of location, the bar establishment licensee may retain the

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bar establishment license after the change of location only if on the day on which the bar establishment licensee seeks a change of location a bar establishment license is available under Subsection (3)(a).

Section 21. Section **32B-6-405** is amended to read:

### **32B-6-405. Specific licensing requirements for bar establishment license.**

(1) To obtain a bar establishment license, in addition to complying with Chapter 5, Part 2, Retail Licensing Process, a person shall submit with the written application:

(a) (i) a statement as to whether the person is seeking to qualify as:

(A) an equity licensee;

(B) a fraternal licensee;

(C) a dining club licensee; or

(D) a bar licensee; and

(ii) evidence that the person meets the requirements for the type of bar establishment license for which the person is applying;

(b) evidence that the person operates a premises where a variety of food is prepared and served in connection with dining accommodations; and

(c) if the person is applying for an equity license or fraternal license, a copy of the entity's bylaws or house rules, and an amendment to those records.

(2) The commission may refuse to issue a bar establishment license to a person for an equity license or fraternal license if the commission determines that a provision of the person's bylaws or house rules, or amendments to those records is not:

(a) reasonable; and

(b) consistent with:

(i) the declared nature and purpose of the bar establishment licensee; and

(ii) the purposes of this part.

(3) (a) A bar establishment license expires on June 30 of each year.

(b) To renew a bar establishment license, a person shall comply with the requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than May 31.

(4) (a) The nonrefundable application fee for a bar establishment license is \$300.

(b) (i) The initial license fee for a bar establishment license is \$2,750.

(ii) The department shall prorate the \$2,750 initial license fee based on the number of

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months out of a year the bar establishment licensee is licensed before the day on which the bar establishment license expires.

(c) The renewal fee for a bar establishment license is \$2,000.

(5) The bond amount required for a bar establishment license is the penal sum of \$10,000.

Section 22. Section **32B-6-504** is amended to read:

### **32B-6-504. Specific licensing requirements for airport lounge license.**

(1) To obtain an airport lounge license, in addition to complying with Chapter 5, Part 2, Retail Licensing Process, a person shall submit with the written application:

(a) both the written consent of the local authority and the written consent of the airport authority; and

(b) a copy of the sign proposed to be used by the airport lounge licensee on its licensed premises to inform the public that alcoholic products are sold and consumed on the licensed premises.

(2) (a) An airport lounge license expires on October 31 of each year.

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

(3) (a) The nonrefundable application fee for an airport lounge license is \$300.

(b) (i) The initial license fee for an airport lounge license is \$8,000.

(ii) The department shall prorate the \$8,000 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the airport lounge license expires.

(c) The renewal fee for an airport lounge license is \$6,000.

(4) The bond amount required for an airport lounge license is the penal sum of \$10,000.

(5) An airport lounge license is not subject to the proximity requirements of Section 32B-1-202.

Section 23. Section **32B-6-604** is amended to read:

### **32B-6-604. Specific licensing requirements for an on-premise banquet license.**

(1) To obtain an on-premise banquet license a person shall comply with Chapter 5, Part 2, Retail Licensing Process.

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(2) (a) An on-premise banquet license expires on October 31 of each year.

(b) To renew a person's on-premise banquet license, a person shall comply with the requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

(3) (a) The nonrefundable application fee for an on-premise banquet license is \$300.

(b) (i) The initial license fee for an on-premise banquet license is \$750.

(ii) The department shall prorate the \$750 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the on-premise banquet license expires.

(c) The renewal fee for an on-premise banquet license is \$750.

(4) The bond amount required for an on-premise banquet license is the penal sum of \$10,000.

(5) Notwithstanding the other provisions of this part, if an applicant is a state agency or political subdivision of the state it is not required to:

(a) pay an application fee, initial license fee, or renewal fee;

(b) obtain the written consent of the local authority;

(c) submit a copy of the applicant's current business license; or

(d) post a bond as specified by Section 32B-5-204.

(6) Notwithstanding Subsection 32B-5-303(3), the department may approve an additional location in or on the licensed premises of an on-premise banquet licensee from which the on-premise banquet licensee may store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product that is not included in its original application only:

(a) upon proper application by an on-premise banquet licensee; and

(b) in accordance with guidelines approved by the commission.

Section 24. Section **32B-6-605** is amended to read:

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

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

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

(i) an on-premise banquet licensee;

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- (ii) individual staff of an on-premise banquet licensee; or
- (iii) both an on-premise banquet licensee and staff of the on-premise banquet licensee.

(2) An on-premise banquet licensee shall comply with Subsections 32B-5-301(4) and (5) for the entire premises of the hotel, resort facility, sports center, convention center, performing arts facility, arena, or restaurant venue that is the basis for the on-premise banquet license.

(3) (a) For the purpose described in Subsection (3)(b), an on-premise banquet licensee shall provide the department with advance notice of a scheduled banquet in accordance with rules made by the commission.

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

- (i) an authorized representative of the commission or the department; or
- (ii) a law enforcement officer.

(4) (a) An on-premise banquet licensee is not subject to Subsection 32B-5-302(1), but shall make and maintain the records described in Subsection 32B-5-302(2) and the records the commission or department requires.

(b) Section 32B-1-205 applies to a record required to be made or maintained in accordance with this Subsection (4).

(5) (a) Except as otherwise provided in this title, an on-premise banquet licensee may sell, offer for sale, or furnish an alcoholic product at a banquet only for consumption at the location of the banquet.

(b) ~~[Except as provided in Subsection 32B-5-307(4);]~~ Notwithstanding Section 32B-5-307 and except as otherwise provided in this title:

(i) ~~[a host of a banquet, a patron, or]~~ a person at a banquet other than the on-premise banquet licensee or staff of the on-premise banquet licensee, may not remove an alcoholic product from the premises of the banquet~~[-]; and~~

~~[(c) Notwithstanding Subsections 32B-5-307(3) and (5) and except as provided in Subsection 32B-5-307(4);]~~

(ii) a patron at a banquet may not bring an alcoholic product into or onto~~[-; or remove an alcoholic product from;]~~ the premises of ~~[a]~~ the banquet.

(6) (a) An on-premise banquet licensee may not leave an unsold alcoholic product at the banquet following the conclusion of the banquet.

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(b) At the conclusion of a banquet, an on-premise banquet licensee shall:

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

(ii) return to the on-premise banquet licensee's approved locked storage area any:

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

(B) unopened container of an alcoholic product.

(c) Except as provided in Subsection (6)(b) with regard to an open or sealed container of an alcoholic product not sold or consumed at a banquet, an on-premise banquet licensee:

(i) shall store the alcoholic product in the on-premise banquet licensee's approved locked storage area; and

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

(7) Notwithstanding Section 32B-5-308, an on-premise banquet licensee may not employ a minor to sell, furnish, or dispense an alcoholic product in connection with the on-premise banquet licensee's banquet and room service activities.

(8) An on-premise banquet licensee:

(a) may provide room service in portions described in Section 32B-5-304;

(b) may not sell, offer for sale, or furnish an alcoholic product at a banquet or in connection with room service any day during a period that:

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

(ii) ends at 9:59 a.m.; and

(c) notwithstanding Section 32B-5-305, may provide as room service one alcoholic product free of charge per guest reservation, per guest room, if the alcoholic product:

(i) is not a spirituous liquor; and

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

(9) (a) Subject to the other provisions of this Subsection (9), a patron may not have more than two alcoholic products of any kind at a time before the patron.

(b) A patron may not have more than one spirituous liquor drink at a time before the patron.

(c) An individual portion of wine is considered to be one alcoholic product under Subsection (9)(a).

(10) (a) An on-premise banquet licensee shall supervise and direct a person involved in



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

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

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

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

(b) An alcoholic product may not be left outside a guest room or privately owned dwelling unit for retrieval by a guest or resident.

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

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

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

As used in this part:

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

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

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

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

(i) a billiard parlor;

(ii) a pool parlor;

(iii) a bowling facility;

(iv) a golf course;

(v) miniature golf;

(vi) a golf driving range;

(vii) a tennis club;

(viii) a sports facility that hosts professional sporting events and has a seating capacity equal to or greater than [~~6,500~~] 5,000;

(ix) a concert venue that has a seating capacity equal to or greater than [~~6,500~~] 5,000;

(x) one of the following if owned by a government agency:

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- (A) a convention center;
  - (B) a fair facility;
  - (C) an equestrian park;
  - (D) a theater; or
  - (E) a concert venue;
  - (xi) an amusement park:
    - (A) with one or more permanent amusement rides; and
    - (B) located on at least 50 acres;
  - (xii) a ski resort;
  - (xiii) a venue for live entertainment if the venue:
    - (A) is not regularly open for more than five hours on any day;
    - (B) is operated so that food is available whenever beer is sold, offered for sale, or furnished at the venue; and
    - (C) is operated so that no more than 15% of its total annual receipts are from the sale of beer;
  - (xiv) concessions operated within the boundary of a park administered by the:
    - (A) Division of State Parks; or
    - (B) National Parks Service;
  - (xv) a facility or venue that is a recreational amenity for a person licensed under this part before May 12, 2020;
    - (xvi) a venue for karaoke; or
    - (xvii) an enterprise developed around a commission-approved activity.
- (b) "Recreational amenity" does not include an item described in Subsection (2)(a), if the item is tangential to an enterprise or activity that is not included in Subsection (2)(a).

Section 26. Section **32B-6-705** is amended to read:

### **32B-6-705. Specific licensing requirements for on-premise beer retailer license.**

(1) To obtain an on-premise beer retailer license a person shall comply with Chapter 5, Part 2, Retail Licensing Process, except that an on-premise beer retailer is required to carry dramshop insurance coverage in accordance with Section 32B-5-201 only if the on-premise beer retailer sells more than \$5,000 of beer annually.

(2) (a) An on-premise beer retailer license expires on the last day of February each

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year.

(b) To renew a person's on-premise beer retailer license, a person shall comply with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than January 31.

(3) (a) The nonrefundable application fee for an on-premise beer retailer license is \$300.

(b) (i) (A) The initial license fee for an on-premise beer retailer license that is not a tavern is \$300.

(B) The department shall prorate the \$300 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the on-premise beer retailer license expires.

(ii) (A) The initial license fee for an on-premise beer retailer license that is a tavern is \$1,500.

(B) The department shall prorate the \$1,500 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the on-premise beer retailer license expires.

(c) (i) The renewal fee for an on-premise beer retailer license that is not a tavern is \$350.

(ii) The renewal fee for an on-premise beer retailer license that is a tavern is \$1,250.

(4) The bond amount required for an on-premise beer retailer license is the penal sum of \$5,000.

(5) Notwithstanding the other provisions of this part, if an applicant is a state agency or political subdivision of the state it is not required to:

(a) pay an application fee, initial license fee, or renewal fee;

(b) obtain the written consent of the local authority;

(c) submit a copy of the applicant's current business license; or

(d) post a bond as specified by Section 32B-5-204.

Section 27. Section **32B-6-804** is amended to read:

### **32B-6-804. Specific licensing requirements for reception center license.**

(1) To obtain a reception center license a person shall comply with Chapter 5, Part 2, Retail Licensing Process.

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(2) (a) A reception center license expires on October 31 of each year.

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

(3) (a) The nonrefundable application fee for a reception center license is \$300.

(b) (i) The initial license fee for a reception center license is \$750.

(ii) The department shall prorate the \$750 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the reception center license expires.

(c) The renewal fee for a reception center license is \$750.

(4) The bond amount required for a reception center license is the penal sum of \$10,000.

Section 28. Section **32B-6-902** is amended to read:

### **32B-6-902. Definitions.**

(1) As used in this part:

(a) (i) "Dining area" means an area in the licensed premises of a beer-only restaurant licensee that is primarily used for the service and consumption of food by one or more patrons.

(ii) "Dining area" does not include a dispensing area.

(b) (i) "Dispensing area" means an area in the licensed premises of a beer-only restaurant licensee where a dispensing structure is located and that:

(A) is physically separated from the dining area and any waiting area by a structure or other barrier that prevents a patron seated in the dining area or a waiting area from viewing the dispensing of beer;

(B) except as provided in Subsection (1)(b)(ii), measures at least 10 feet from the dining area and any waiting area to the nearest edge of the dispensing structure; or

(C) is physically separated from the dining area and any waiting area by a permanent physical structure that complies with the provisions of Title 15A, State Construction and Fire Codes Act, and, to the extent allowed under Title 15A, State Construction and Fire Codes Act, measures at least 42 inches high, and at least 60 inches from the inside edge of the barrier to the nearest edge of the dispensing structure.

(ii) "Dispensing area" does not include any area described in Subsection (1)(b)(i)(B)

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that is less than 10 feet from an area where beer is dispensed, but from which a patron seated at a table or counter cannot view the dispensing of beer.

(c) "Small beer-only restaurant licensee" means a beer-only restaurant licensee [~~that has a grandfathered bar structure~~] whose dispensing area includes more than 45% of the available seating for patrons on the licensed premises, excluding outdoor seating:

- (i) when measured in accordance with Subsection (1)(b)(i)(B); and
  - (ii) based on the licensee's floor plan on file with the department on July 1, 2017.
- (d) "Waiting area" includes a lobby.

Section 29. Section **32B-6-904** is amended to read:

### **32B-6-904. Specific licensing requirements for beer-only restaurant license.**

(1) To obtain a beer-only restaurant license a person shall comply with Chapter 5, Part 2, Retail Licensing Process.

(2) (a) A beer-only restaurant license expires the last day of February of each year.

(b) To renew a person's beer-only restaurant license, a person shall comply with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than January 31.

(3) (a) The nonrefundable application fee for a beer-only restaurant license is \$330.

(b) (i) The initial license fee for a beer-only restaurant license is \$825.

(ii) The department shall prorate the \$825 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the beer-only license expires.

(c) The renewal fee for a beer-only restaurant license is \$605.

(4) The bond amount required for a beer-only restaurant license is the penal sum of \$5,000.

Section 30. Section **32B-6-1004** is amended to read:

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

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

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

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

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September 30.

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

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

(ii) The department shall prorate the \$2,000 initial license fee for the period that begins the day on which the initial license fee is paid and ends the day on which the hospitality amenity license expires.

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

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

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

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

(b) in accordance with guidelines the commission approves.

Section 31. Section **32B-7-202** is amended to read:

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

(1) (a) An off-premise beer retailer or staff of the off-premise beer retailer shall comply with the provisions of this title and any applicable rules made by the commission.

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

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

(A) a beer wholesaler licensee; or

(B) a small brewer that manufactures the beer.

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

(b) (i) If an off-premise beer retailer purchases beer under this Subsection (2) from a beer wholesaler licensee, the off-premise beer retailer shall purchase beer only from a beer

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wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area in which the off-premise beer retailer is located, unless an alternate wholesaler is authorized by the department to sell to the off-premise beer retailer as provided in Section 32B-13-301.

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

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

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

(i) consume an alcoholic product; or

(ii) be intoxicated.

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

(i) the sale is done under the supervision of a person 21 years old or older who is on the licensed premises; and

(ii) the minor is at least 16 years old.

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

(a) a minor;

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

(c) a known interdicted person; or

(d) a known habitual drunkard.

(6) (a) Subject to the other provisions of this Subsection (6), an off-premise beer retailer shall:

(i) display all beer accessible by and visible to a patron in no more than two locations on the retail sales floor, each of which is:

(A) a display cabinet, cooler, aisle, floor display, or room where beer is the only beverage displayed; and

(B) not adjacent to a display of nonalcoholic beverages, unless the location is a cooler with a door from which the nonalcoholic beverages are not accessible, or the beer is separated from the display of nonalcoholic beverages by a display of one or more nonbeverage products or another physical divider; and

(ii) display a sign in the area described in Subsection (6)(a)(i) that:

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(A) is prominent;  
(B) is easily readable by a consumer;  
(C) meets the requirements for format established by the commission by rule; and  
(D) reads in print that is no smaller than .5 inches, bold type, "These beverages contain alcohol. Please read the label carefully."

(b) Notwithstanding Subsection (6)(a), a nonalcoholic beer may be displayed with beer if the nonalcoholic beer is labeled, packaged, or advertised as a nonalcoholic beer.

(c) The requirements of this Subsection (6) apply to beer notwithstanding that it is labeled, packaged, or advertised as:

(i) a malt cooler; or

(ii) a beverage that may provide energy.

(d) A violation of this Subsection (6) is an infraction.

(e) (i) Except as provided in Subsection (6)(e)(ii), the provisions of Subsection (6)(a)(i) apply on and after May 9, 2017.

(ii) For a beer retailer that operates two or more off-premise beer retailers, the provisions of Subsection (6)(a)(i) apply on and after August 1, 2017.

(7) (a) Staff of an off-premise beer retailer who directly supervises the sale of beer or who sells beer to a patron for consumption off the premises of the off-premise beer retailer shall wear a unique identification badge:

(i) on the front of the staff's clothing;

(ii) visible above the waist;

(iii) bearing the staff's:

(A) first or last name;

(B) initials; or

(C) unique identification in letters or numbers; and

(iv) with the number or letters on the unique identification badge being sufficiently large to be clearly visible and identifiable while engaging in or directly supervising the retail sale of beer.

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

(i) full name;



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(ii) address; and

(iii) (A) driver license number; or

(B) similar identification number.

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

(i) a peace officer;

(ii) a representative of the local authority that issues the off-premise beer retailer license; or

(iii) for an off-premise beer retailer state license, a representative of the commission or department.

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

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

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

(9) An off-premise beer retailer may not on the licensed premises:

(a) engage in or permit any form of:

(i) gambling, as defined in Section 76-10-1101; or

(ii) fringe gambling, as defined in Section 76-10-1101;

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

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

(10) An off-premise beer retailer may not knowingly allow a person on the licensed premises to, in violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug Paraphernalia Act:

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

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

(11) An off-premise beer retailer may not sell, offer for sale, or furnish a beer that is intended to be frozen and consumed in a manner other than as a beverage, including beer in the form of a freeze pop, popsicle, ice cream, or sorbet.

Section 32. Section **32B-8-102** is amended to read:

### **32B-8-102. Definitions.**

As used in this chapter:

(1) "Boundary of a resort building" means the physical boundary of the real property reasonably related to a resort building and any structure or improvement to that land as determined by the commission.

(2) "Designated conveyance area" means a route within a hotel or resort:

(a) that connects one or more of the following:

(i) the premises of a sublicensed bar;

(ii) the premises of a sublicensed hospitality amenity area;

(iii) a sublicensed banquet premises; or

(iv) a guest's room; and

(b) that does not begin, end, or pass through a pool area or other recreation area, a designated business center, or a sublicensed premises not described in Subsection (2)(a).

~~[(2)]~~ (3) "Dwelling" means a portion of a resort building:

(a) owned by one or more individuals;

(b) that is used or designated for use as a residence by one or more persons; and

(c) that may be rented, loaned, leased, or hired out for a period of no longer than 30 consecutive days by a person who uses it for a residence.

~~[(3)]~~ (4) "Engaged in the management of the resort" may be defined by the commission by rule.

~~[(4)]~~ (5) "Resident" means an individual who:

(a) owns a dwelling located within a resort building; or

(b) rents lodging accommodations for 30 consecutive days or less from:

(i) an owner of a dwelling described in Subsection ~~[(4)](a)~~ (5)(a); or

(ii) the resort licensee.

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~~[(5)]~~ (6) "Resort" means a location:

- (a) on which is located one resort building; and
- (b) that is affiliated with a ski area that physically touches the boundary of the resort building.

~~[(6)]~~ (7) "Resort building" means a building:

- (a) that is primarily operated to provide dwellings or lodging accommodations;
- (b) that has at least 150 units that consist of a dwelling or lodging accommodations;
- (c) that consists of at least 400,000 square feet:
  - (i) including only the building itself; and
  - (ii) not including areas such as above ground surface parking; and
- (d) of which at least 50% of the units described in Subsection ~~[(6)(b)]~~ (7)(b) consist of dwellings owned by a person other than the resort licensee.

Section 33. Section **32B-8-201** is amended to read:

### **32B-8-201. Commission's power to issue a resort license.**

(1) Before a person as a resort under a single license may store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on sublicense premises, the person shall first obtain a resort license from the commission in accordance with this part.

(2) (a) The commission may issue to a person a resort license to allow the storage, sale, offer for sale, furnishing, and consumption of an alcoholic product in connection with a resort designated in the resort license if the person operates at least four sublicenses under the resort license.

(b) A resort license shall:

(i) consist of:

(A) a general resort license; and

(B) four or more sublicenses; and

(ii) designate the boundary of the resort building, each sublicense, and each designated conveyance area.

(c) This chapter does not prohibit an alcoholic product in or on the boundary of the resort building to the extent otherwise permitted by this title.

(3) The commission may not issue a total number of resort licenses that at any time totals more than eight.

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Section 34. Section **32B-8-202** is amended to read:

### **32B-8-202. Specific licensing requirements for resort license.**

(1) To obtain a resort license, in addition to complying with Chapter 5, Part 2, Retail Licensing Process, a person shall submit with the person's written application:

(a) evidence:

(i) of proximity of the resort building to any community location;

(ii) that each proposed sublicensed premises is entirely within the boundaries of the resort building; and

(iii) that the building designated in the application as the resort building qualifies as a resort building; [~~and~~]

(b) a description and boundary map of the resort building[~~;~~];

(c) a description, floor plan, and boundary map of each proposed designated conveyance area; and

(d) a signed consent form stating that the resort licensee will permit any authorized representative of the commission or department, or any law enforcement officer, to have an unrestricted right to enter any proposed designated conveyance area.

(2) (a) A resort license expires on October 31 of each year.

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

(3) (a) The nonrefundable application fee for a resort license is \$300.

(b) The initial license fee for a resort license is calculated as follows:

(i) if four sublicenses are being applied for under the resort license, \$10,000; or

(ii) if more than four sublicenses are being applied for under the resort license, the sum of:

(A) \$10,000; and

(B) \$2,000 for each sublicense in excess of four sublicenses for which the person is applying.

(c) The renewal fee for a resort license is \$1,000 for each sublicense under the resort license.

(4) (a) The bond amount required for a resort license is the penal sum of \$25,000[~~;~~], covering each sublicense and each designated conveyance area under the resort license.

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(b) A resort licensee is not required to have a separate bond for each sublicense[~~;~~  
~~except that the aggregate of the bonds posted by the resort licensee shall cover each sublicense~~  
~~under the resort license] or each designated conveyance area.~~

(5) The commission may not issue a resort license for a resort building that does not meet the proximity requirements of Section 32B-1-202.

(6) In accordance with Subsection 32B-8d-103(4), a resort licensee may request to add a sublicense after the commission issues the resort licensee's resort license.

(7) (a) A resort licensee may request to add a designated conveyance area after the commission issues the resort licensee's resort license.

(b) If a resort licensee seeks to add a designated conveyance area under Subsection (7)(a), the resort licensee shall submit to the department:

(i) the information and evidence described in Subsections (1)(a)(iii), (1)(c), and (1)(d);  
and

(ii) if the resort licensee is an entity, proper verification evidencing that the person who signs the submission is authorized to sign on behalf of the entity.

Section 35. Section **32B-8-401** is amended to read:

### **32B-8-401. Specific operational requirements for resort license.**

(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational Requirements, a resort licensee, staff of the resort licensee, and a sublicensee or a person otherwise operating under a sublicense shall comply with this section.

(b) Subject to Section 32B-8-502, failure to comply as provided in Subsection (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

(i) the resort licensee;

(ii) individual staff of the resort licensee;

(iii) a sublicensee or person otherwise operating under a sublicense of the resort licensee;

(iv) individual staff of a sublicensee or person otherwise operating under a sublicense of the resort licensee; or

(v) any combination of the persons listed in Subsections (1)(b)(i) through (iv).

(2) (a) A resort licensee may not sell, offer for sale, or furnish an alcoholic product

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except:

- (i) on sublicensed premises;
- (ii) pursuant to a permit issued under this title;
- (iii) under a package agency agreement with the department, subject to Chapter 2, Part 6, Package Agency; or
- (iv) through room service.

(b) A resort licensee who sells, offers for sale, or furnishes an alcoholic product as provided in Subsection (2)(a), shall sell, offer for sale, or furnish the alcoholic product:

(i) if on a sublicense premises, in accordance with the operational requirements described in Section 32B-8d-104;

(ii) if under a permit issued under this title, in accordance with the operational requirements under the provisions applicable to the permit;

(iii) if as a package agency, in accordance with the contract with the department and Chapter 2, Part 6, Package Agency; and

(iv) if through room service, in accordance with Subsection [~~(5)~~] (6).

(3) A resort licensee shall operate in a manner so that at least 70% of the annual aggregate of the gross receipts related to the sale of food or beverages for the resort license and each of the resort licensee's sublicenses is from the sale of food, not including:

(a) mix for an alcoholic product; and

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

(4) (a) A resort licensee shall supervise and direct a person involved in the sale, offer for sale, or furnishing of an alcoholic product under a resort license.

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

(5) (a) A resort licensee shall:

(i) in accordance with commission rule, establish and maintain signage that clearly identifies each designated conveyance area and conspicuously states that a patron may not take an alcoholic beverage beyond the designated conveyance area except as otherwise provided in this chapter;

(ii) ensure that an alcoholic beverage is not left unattended in a designated conveyance area; and

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(iii) ensure that each patron complies with the requirements of Subsection 32B-8d-104(5)(b)(ii).

~~[(5)] (6) (a) [Room]~~ Staff of the resort licensee shall provide room service of an alcoholic product to a lodging accommodation of a resort licensee ~~[shall be provided]~~ in person ~~[by staff of the resort licensee]~~ only to an adult occupant in the lodging accommodation.

(b) An alcoholic product may not be left outside a lodging accommodation for retrieval by an occupant.

Section 36. Section **32B-8b-102** is amended to read:

### **32B-8b-102. Definitions.**

As used in this chapter:

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

(2) "Designated conveyance area" means a route within a hotel or resort:

(a) that connects one or more of the following:

(i) the premises of a sublicensed bar;

(ii) the premises of a sublicensed hospitality amenity area;

(iii) a sublicensed banquet premises; or

(iv) a guest's room; and

(b) does not begin, end, or pass through a pool area or other recreation area, a designated business center, or a sublicensed premises not described in Subsection (2)(a).

~~[(2)] (3)~~ "Hotel" means one or more buildings that:

(a) comprise a hotel, as defined by the commission;

(b) are owned or managed by the same person or by a person who has a majority interest in or can direct or exercise control over the management or policy of the person who owns or manages any other building under the hotel license within the boundary of the hotel;

(c) primarily operate to provide lodging accommodations;

(d) have on-premise banquet space and provide on-premise banquet service within the boundary of the hotel meeting the requirements of this title;

(e) have a restaurant or bar establishment within the boundary of the hotel meeting the requirements of this title; and

(f) have at least 40 rooms as temporary sleeping accommodations for compensation.

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Section 37. Section **32B-8b-201** is amended to read:

### **32B-8b-201. Commission's power to issue a hotel license.**

(1) Before a person as a hotel under a single license may store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on sublicense premises, the person shall first obtain a hotel license from the commission in accordance with this part.

(2) (a) The commission may issue to a person a hotel license to allow the storage, sale, offer for sale, furnishing, and consumption of an alcoholic product in connection with a hotel designated in the hotel license if the person operates at least three sublicenses under the hotel license:

(i) one of which is an on-premise banquet license; and

(ii) one of which is:

(A) a full-service restaurant sublicense;

(B) a limited-service restaurant sublicense;

(C) a beer-only restaurant sublicense; or

(D) a bar establishment sublicense.

(b) A hotel license shall:

(i) consist of:

(A) a general hotel license; and

(B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

(ii) designate the boundary of the hotel [~~and~~], sublicenses[~~;~~], and each designated conveyance area.

(c) This chapter does not prohibit an alcoholic product on the boundary of the hotel to the extent otherwise permitted by this title.

(3) The commission may not issue a total number of hotel licenses that at any time totals more than 80.

Section 38. Section **32B-8b-202** is amended to read:

### **32B-8b-202. Specific licensing requirements for hotel license.**

(1) To obtain a hotel license, in addition to complying with Chapter 5, Part 2, Retail Licensing Process, a person shall submit with the person's written application:

(a) evidence:

(i) of proximity of each building under the hotel license to any community location;



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(ii) that each proposed sublicensed premises is entirely within the boundary of the hotel; and

(iii) that each building designated in the application as a building under the hotel license qualifies to be under the hotel license; ~~and~~

(b) a description and boundary map of the hotel[-];

(c) a description, floor plan, and boundary map of each proposed designated conveyance area; and

(d) a signed consent form stating that the hotel licensee will permit any authorized representative of the commission or department, or any law enforcement officer, to have an unrestricted right to enter any proposed designated conveyance area.

(2) (a) A hotel license expires on October 31 of each year.

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

(3) (a) The nonrefundable application fee for a hotel license is \$500.

(b) The initial license fee for a hotel license is calculated as follows:

(i) if three sublicenses are being applied for under the hotel license, \$5,000; or

(ii) if more than three sublicenses are being applied for under the hotel license, the sum of:

(A) \$5,000; and

(B) \$2,000 for each sublicense in excess of three sublicenses for which the person is applying.

(c) The renewal fee for a hotel license is \$1,000 for each sublicense under the hotel license.

(4) (a) The bond amount required for a hotel license is the penal sum of \$10,000, covering each sublicense and each designated conveyance area under the hotel license.

(b) A hotel licensee is not required to have a separate bond for each sublicense~~[-except that the aggregate of the bonds posted by the hotel licensee shall cover each sublicense under the hotel license]~~ or each designated conveyance area.

(5) The commission may not issue a hotel license that includes a building under the hotel license that does not meet the proximity requirements of Section 32B-1-202.

(6) In accordance with Subsection 32B-8d-103(4), a hotel licensee may request to add a

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sublicense after the commission issues the hotel licensee's hotel license.

(7) (a) A hotel licensee may request to add a designated conveyance area after the commission issues the hotel licensee's hotel license.

(b) If a hotel licensee seeks to add a designated conveyance area under Subsection (7)(a), the hotel licensee shall submit to the department:

(i) the information and evidence described in Subsections (1)(a)(iii), (1)(c), and (1)(d);  
and

(ii) if the hotel licensee is an entity, proper verification evidencing that the person who signs the submission is authorized to sign on behalf of the entity.

Section 39. Section **32B-8b-301** is amended to read:

### **32B-8b-301. Specific operational requirements for hotel license.**

(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational Requirements, a hotel licensee, staff of the hotel licensee, and a sublicensee or person otherwise operating under a sublicense shall comply with this section.

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

- (i) the hotel licensee;
- (ii) individual staff of the hotel licensee;
- (iii) a sublicensee or person otherwise operating under a sublicense of the hotel licensee;
- (iv) individual staff of a sublicensee or person otherwise operating under a sublicense of the hotel licensee; or
- (v) any combination of the persons listed in this Subsection (1)(b).

(2) (a) A hotel licensee may not sell, offer for sale, or furnish an alcoholic product except:

- (i) on sublicensed premises;
- (ii) pursuant to a permit issued under this title;
- (iii) under a package agency agreement with the department, subject to Chapter 2, Part 6, Package Agency; or
- (iv) through room service.

(b) A hotel licensee who sells, offers for sale, or furnishes an alcoholic product as

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provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

(i) if on sublicensed premises, in accordance with the operational requirements described in Section 32B-8d-104;

(ii) if under a permit issued under this title, in accordance with the operational requirements under the provisions applicable to the permit;

(iii) if as a package agency, in accordance with the contract with the department and Chapter 2, Part 6, Package Agency; and

(iv) if through room service, in accordance with Subsection [~~(4)~~] (5).

(c) Notwithstanding the other provisions of this Subsection (2) and except as provided in Section 32B-8d-104, a hotel licensee may not permit a patron to carry an alcoholic product off the premises of a sublicense in violation of Section 32B-5-307 [~~or~~], off an area designated under a permit, or off a designated conveyance area.

(3) A hotel licensee shall supervise and direct a person involved in the sale, offer for sale, or furnishing of an alcoholic product under a hotel license.

(4) (a) A hotel licensee shall:

(i) in accordance with commission rule, establish and maintain signage that clearly identifies each designated conveyance area and conspicuously states that a patron may not take an alcoholic beverage beyond the designated conveyance area except as otherwise provided in this chapter;

(ii) ensure that an alcoholic beverage is not left unattended in a designated conveyance area; and

(iii) ensure that each patron complies with the requirements of Subsection 32B-8d-104(5)(b)(ii).

(b) In accordance with Subsection (2), a hotel licensee may not sell, offer for sale, or furnish an alcoholic product in a designated conveyance area.

~~(4)~~ (5) (a) [~~Room~~] Staff of the hotel licensee shall provide room service of an alcoholic product to a lodging accommodation of a hotel licensee [~~shall be provided~~] in person [~~by staff of the hotel licensee~~] only to an adult occupant in the lodging accommodation.

(b) An alcoholic product may not be left outside a lodging accommodation for retrieval by an occupant.

~~(5)~~ (6) A hotel licensee shall operate in a manner so that at least 70% of the annual

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aggregate of the gross receipts related to the sale of food or beverages for the hotel license and each of the hotel license's sublicenses is from the sale of food, not including:

- (a) mix for an alcoholic product; and
- (b) a charge in connection with the service of an alcoholic product.

Section 40. Section **32B-8d-104** is amended to read:

### **32B-8d-104. General operational requirements for a sublicense.**

(1) Except as provided in Subsections (2) through ~~(3)~~ (5), a person operating under a sublicense is subject to the operational requirements under the provisions applicable to the sublicense.

(2) Notwithstanding a requirement in the provisions applicable to the sublicense, a person operating under the sublicense is not subject to a requirement that a certain percentage of the gross receipts for the sublicense be from the sale of food, except to the extent that the gross receipts for the sublicense are included in calculating the percentages under Subsections 32B-8-401(3), ~~[32B-8b-301(5)]~~ 32B-8b-301(6), and 32B-8c-301(3).

(3) Notwithstanding ~~[Section 32B-5-307:]~~ Sections 32B-5-307 and,

~~(a)~~ a patron may transport beer between the sublicensed premises of an arena licensee's accompanying sublicenses, if the patron transports the beer from and to an area of each sublicensed premises:

- ~~(i)~~ (a) that is adjacent to the other; and
- ~~(ii)~~ (b) where the consumption of beer is permitted~~[-and]~~.
- ~~(b)~~ (4) Notwithstanding Section 32B-5-307, staff of a sublicensee or person

otherwise operating under a sublicense of a hotel licensee or a resort licensee may transport an alcoholic beverage from and to sublicensed premises of the hotel license or resort license, if:

- ~~(i)~~ (a) the sublicensee is:
  - ~~(A)~~ (i) a full-service restaurant sublicensee;
  - ~~(B)~~ (ii) a limited-service restaurant sublicensee;
  - ~~(C)~~ (iii) a bar establishment sublicensee;
  - ~~(D)~~ (iv) a beer-only restaurant sublicensee; or
  - ~~(E)~~ (v) an on-premise beer retailer sublicensee;
- ~~(ii)~~ (b) the individual staff carries the alcoholic beverage:
  - ~~(A)~~ (i) from the sublicensed premises of a sublicensee described in Subsection

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~~[(3)(b)(i)]~~ (4)(a):

~~[(B)]~~ (ii) briefly through an unlicensed area or briefly through sublicensed premises on which the type of alcoholic beverage that the individual staff carries is permitted; and

~~[(C)]~~ (iii) to the sublicensed premises of a sublicensee described in Subsection ~~[(3)(b)(i)]~~ (4)(a); and

~~[(iii)]~~ (c) the individual staff at all times stays within:

~~[(A)]~~ (i) the boundary of the hotel; or

~~[(B)]~~ (ii) the boundary of the resort building.

~~[(4)]~~ (5) (a) Notwithstanding Section 32B-5-307, 32B-6-605, or 32B-6-1005, a patron may transport an alcoholic beverage between any of the following locations, if the patron lawfully obtained the alcoholic beverage on the premises of a sublicensee described in Subsections (5)(a)(i) through (iv) and complies with Subsection (5)(b):

(i) a bar establishment sublicensee's sublicensed premises;

(ii) a hospitality amenity sublicensee's sublicensed premises;

(iii) an on-premise banquet sublicensee's sublicensed premises; and

(iv) a guest room.

(b) A patron may transport an alcoholic beverage in accordance with Subsection (5)(a) only if:

(i) the patron travels exclusively within a designated conveyance area as defined in Section 32B-8-102 or 32B-8b-102; and

(ii) the alcoholic beverage:

(A) is not in the alcoholic beverage's original container; and

(B) is in an opaque or solid color container that is readily identifiable as intended for use in a designated conveyance area.

(6) Except as provided in Section 32B-8-502, for purposes of interpreting an operational requirement imposed by the provisions applicable to a sublicensee:

(a) a requirement imposed on a sublicensee or person operating under a sublicense applies to the principal licensee; and

(b) a requirement imposed on staff of a sublicensee or person operating under a sublicense applies to staff of the principal licensee.

Section 41. Section **32B-10-202** is amended to read:

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### 32B-10-202. Application for special use permit -- Qualifications.

- (1) To obtain a special use permit, a person shall submit to the department:
  - (a) a written application in a form prescribed by the department;
  - (b) a nonrefundable application fee, if required by the relevant part of this chapter applicable to the type of special use permit for which the person applies;
  - (c) an initial permit fee:
    - (i) if required by the relevant part of this chapter applicable to the type of special use permit for which the person applies; and
    - (ii) that is refundable if a special use permit is not issued;
  - (d) a one-time special use permit fee if required by a section of this chapter:
    - (i) applicable to the type of special use permit for which the person applies; and
    - (ii) that is refundable if a special use permit is not issued;
  - (e) a statement of the purpose for which the person applies for the special use permit;
  - (f) a description of the types of alcoholic product the person intends to use under authority of the special use permit;
  - (g) written consent of the local authority;
  - (h) if required, a bond as provided in Section 32B-10-205;
  - (i) a floor plan of the immediate area within the premises in which the person proposes that an alcoholic product will be used, mixed, stored, sold, or consumed if required by the relevant part of this chapter applicable to the type of special use permit for which the person applies;
  - (j) a signed consent form stating that the special use permittee will permit any authorized representative of the commission, department, or any other law enforcement officer to have unrestricted right to enter the special use permittee's premises;
  - (k) if the person is an entity, proper verification evidencing that a person who signs the application is authorized to sign on behalf of the entity; and
    - (l) any other information the commission or department may require.
- (2) (a) The commission may issue a special use permit only to a person who qualifies as follows:
  - (i) the commission may issue a religious wine use permit to a religious organization;
  - (ii) the commission may issue an industrial or manufacturing use permit to a person

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engaged in an industrial or manufacturing pursuit;

(iii) the commission may issue a scientific or educational use permit to a person engaged in a scientific or educational pursuit; and

(iv) the commission may issue a public service permit to:

(A) an operator of an airline, railroad, or other public conveyance[-]; or

(B) an entity with authorization from an international airport to establish and operate a hospitality room at the international airport.

(b) The commission may not issue a special use permit to a person who is disqualified under Section 32B-1-304.

(c) If a person to whom a special use permit is issued no longer possesses the qualifications required by this title for obtaining that special use permit, the commission may suspend or revoke that special use permit.

Section 42. Section **32B-10-303** is amended to read:

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

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

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

(b) a floor plan of any room or facility in which the person plans to establish a hospitality room; and

(c) evidence of proximity of a proposed hospitality room to:

(i) the arrival and departure area used by a person traveling on the person's airline, railroad, bus, boat, or other public conveyance[-]; or

(ii) if the applicant is a person described in Subsection 32B-10-202(2)(a)(iv)(B), the arrival and departure area of another person's airline.

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

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

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

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

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(b) (i) ~~[The]~~ Except as provided in Subsection (3)(b)(ii), the renewal fee for a public service permit is \$30 for each regularly numbered passenger airplane flight, passenger train, bus, boat, or any other regularly scheduled public conveyance upon which an alcoholic product is sold, offered for sale, or furnished.

(ii) For an applicant described in Subsection 32B-10-202(2)(a)(iv)(B), the renewal fee for a public service permit is \$5,000.

Section 43. Section **32B-10-304** is amended to read:

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

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

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

- (i) a public service permittee;
- (ii) individual staff of a public service permittee; or
- (iii) both a public service permittee and staff of the public service permittee.

(2) (a) A public service permittee described in Subsection 32B-10-202(2)(a)(iv)(A) whose public conveyances operate on an interstate basis may do the following:

- (i) purchase an alcoholic product outside of the state;
- (ii) bring an alcoholic product purchased outside of the state into the state; and
- (iii) sell, offer for sale, and furnish an alcoholic product purchased outside of the state to a passenger traveling on the public service permittee's public conveyance for consumption while en route on the public conveyance.

(b) A public service permittee described in Subsection 32B-10-202(2)(a)(iv)(A) whose public conveyance operates solely within the state~~[-to]~~:

(i) may sell, offer for sale, or furnish an alcoholic product to a passenger traveling on the public service permittee's public conveyance for consumption while en route on the public conveyance~~[-shall purchase:]~~; and

(ii) shall purchase:

- ~~[(+)]~~ (A) liquor from a state store or package agency; and
- ~~[(+)]~~ (B) beer from a beer wholesaler licensee.

(c) A public service permittee described in Subsection 32B-10-202(2)(a)(iv)(B):



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(i) may sell, offer for sale, or furnish an alcoholic product to a patron at the public service permittee's hospitality room; and

(ii) shall purchase:

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

(B) beer from a beer wholesaler licensee.

(3) (a) A public service permittee may establish a hospitality room, if:

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

(B) the room is located within a terminal at an international airport and servicing another public service permittee's airline;

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

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

(A) then in transit using the public service permittee's airline, railroad, bus line, or other public conveyance or, for a public service permittee described in Subsection (2), another public service permittee's airline; and

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

(iv) (A) liquor is purchased from:

(I) a state store; or

(II) a package agency; and

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

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

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

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

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

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

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

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

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

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

(c) A hospitality room shall be operated in accordance with this chapter and rules adopted by the commission.

Section 44. Section **32B-15-201** is amended to read:

**32B-15-201. Liability for injuries and damage resulting from distribution of alcoholic products -- Prima facie evidence.**

(1) (a) Except as provided in Subsections 32B-15-202(2) and (3), a person described in Subsection (1)(b) is liable for:

(i) any and all injury and damage, except punitive damages to:

(A) a third person; or

(B) the heir, as defined in Section 78B-3-105, of the third person; or

(ii) the death of a third person.

(b) A person is liable under Subsection (1)(a) if:

(i) the person directly gives, sells, or otherwise provides an alcoholic product:

(A) to a person described in Subsection (1)(b)(ii); and

(B) as part of the commercial sale, storage, service, manufacture, distribution, or consumption of an alcoholic product;

(ii) those actions cause the intoxication of:

(A) an individual under 21 years old;

(B) an individual who is apparently under the influence of an alcoholic product or drug;

(C) an individual whom the person furnishing the alcoholic product knew or should have known from the circumstances was under the influence of an alcoholic product or drug; or

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(D) an individual who is a known interdicted person; and

(iii) the injury or death described in Subsection (1)(a) results from the intoxication of the individual who is provided the alcoholic product.

(c) It is prima facie evidence that a person is liable under Subsection (1)(a) for an injury or death that results from the intoxication of an individual described in Subsection (1)(b)(ii)(B) or (C) if:

(i) the person directly gives, sells, or otherwise provides the individual the last alcoholic product the individual consumes before the injury or death described in Subsection (1)(b)(iii);

(ii) the individual consumes the alcoholic product at the location where the person directly gives, sells, or otherwise provides the individual the alcoholic product;

(iii) the injury or death occurs within 30 minutes after the time at which the individual leaves, and within a 10 mile radius of, the location where the person gives, sells, or otherwise provides the individual the alcoholic product; and

(iv) (A) the individual is charged with [~~a criminal violation of Section 41-6a-502 for driving under the influence of an alcoholic product in relation to the injury or death.~~] an offense described in Subsection 41-6a-501(2)(a); or

(B) if the individual dies as a result of the event that caused the injury or death, a subsequent chemical test shows that the individual had a blood alcohol concentration of .05 grams or greater at the time of the test.

(2) (a) A person 21 years old or older who is described in Subsection (2)(b) is liable for:

(i) any and all injury and damage, except punitive damages to:

(A) a third person; or

(B) the heir, as defined in Section 78B-3-105, of the third person; or

(ii) the death of the third person.

(b) A person is liable under Subsection (2)(a) if:

(i) the person directly gives or otherwise provides an alcoholic product to an individual who the person knows or should have known is under 21 years old;

(ii) those actions caused the intoxication of the individual provided the alcoholic product;

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(iii) the injury or death described in Subsection (2)(a) results from the intoxication of the individual who is provided the alcoholic product; and

(iv) the person is not liable under Subsection (1), because the person did not directly give or provide the alcoholic product as part of the commercial sale, storage, service, manufacture, distribution, or consumption of an alcoholic product.

(3) This section does not apply to a business licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act, to sell beer at retail only for off-premise consumption.

Section 45. Section **41-6a-531** is enacted to read:

### **41-6a-531. Access to DUI investigative reports.**

(1) As used in this section:

(a) "Agent" means a person's attorney that has been formally engaged.

(b) "DUI investigative report" means all materials that a peace officer gathers as part of investigating an offense described in Subsection 41-6a-501 including:

(i) the identity of witnesses and, if known, contact information;

(ii) witness statements;

(iii) photographs and videotapes;

(iv) diagrams;

(v) field notes;

(vi) test results; and

(vii) any Targeted Responsibility for Alcohol Connected Emergencies investigation report.

(2) (a) Upon request, a law enforcement agency shall disclose an unredacted DUI investigative report to:

(i) a person who suffers loss or injury related to the person's actions that gave rise to the investigation; or

(ii) an agent, parent, or legal guardian of the person described in Subsection (2)(a)(i).

(b) A law enforcement agency responding to a request under Subsection (2)(a) may:

(i) withhold a portion of the DUI investigative report if disclosure would materially prejudice an ongoing criminal investigation or criminal prosecution;

(ii) redact or withhold any privileged information;

(iii) redact an individual's phone number or address, if disclosure of the individual's

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phone number or address may endanger an individual's physical safety; or

(iv) provide the DUI investigative report subject to an agreement that limits the recipient's use of the DUI investigative report to use solely for the purpose of pursuing a civil claim related to the incident.

(3) A law enforcement agency may charge a reasonable fee to cover the cost incurred by disclosing a DUI investigative report in accordance with this section.

Section 46. Section **53-28-101** is enacted to read:

### **CHAPTER 28. PLACE OF LAST DRINK PROGRAM**

#### **53-28-101. Definitions.**

(1) "Alcohol-related law enforcement officer" means the same as that term is defined in Section 32B-1-201.

(2) "Alcohol-related traffic stop" means a traffic stop that results in an individual being arrested for an offense described in Subsection 41-6a-501(2)(a) related to alcohol.

(3) "Alcoholic beverage" means the same as that term is defined in Section 32B-1-102.

(4) "Place of last drink" means the location where an individual obtains and consumes the last alcoholic beverage before the individual is the subject of an alcohol-related traffic stop.

(5) "Retail licensee" means the same as that term is defined in Section 32B-1-102.

Section 47. Section **53-28-102** is enacted to read:

#### **53-28-102. Place of last drink reporting requirements.**

(1) The department shall establish a program in accordance with this chapter to:

(a) identify when an individual's place of last drink is a retail licensee; and

(b) efficiently share information with alcohol-related law enforcement officers about each retail licensee that is an individual's place of last drink for the purpose of allowing the alcohol-related law enforcement officers to investigate a possible violation of Section 32B-5-306.

(2) In developing the program described in this section, the department shall coordinate with and take input from the Department of Alcoholic Beverage Services created in Section 32B-2-203.

(3) Before November 1, 2025, the department shall provide a written report to the Criminal Justice and Law Enforcement Interim Committee that describes how the department implemented the program, the extent to which the program accomplishes the objectives

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described in Subsection (1), and any planned or recommended changes.

Section 48. Section **59-15-101** is amended to read:

### **59-15-101. Tax basis -- Rate.**

(1) As used in this chapter, "beer" means:

(a) beer as defined in Section 32B-1-102; or

(b) heavy beer as defined in Section 32B-1-102.

(2) (a) A tax is imposed at the rate specified in [Subsection (1)(b) on all beer, as defined in Section 32B-1-102;] Subsection (2)(b) on beer that is imported or manufactured for sale, use, or distribution in this state.

~~[(b) The tax described in Subsection (1)(a) shall be imposed at a rate of:]~~

~~[(i) \$11 per 31-gallon barrel for beer imported or manufactured:]~~

~~[(A) before July 1, 2003; and]~~

~~[(B) for sale, use, or distribution in this state; and]~~

~~[(ii) \$13.10 per 31-gallon barrel for beer imported or manufactured:]~~

~~[(A) on or after July 1, 2003; and]~~

~~[(B) for sale, use, or distribution in this state.]~~

(b) The rate of the tax imposed under this Subsection (2) is:

(i) \$13.10 per 31-gallon barrel for beer imported or manufactured before July 1, 2024;

(ii) \$13.35 per 31-gallon barrel for beer imported or manufactured on or after July 1, 2024, and before July 1, 2025;

(iii) \$13.60 per 31-gallon barrel for beer imported or manufactured on or after July 1, 2025, and before July 1, 2026;

(iv) \$13.85 per 31-gallon barrel for beer imported or manufactured on or after July 1, 2026, and before July 1, 2027; and

(v) \$14.10 per 31-gallon barrel for beer imported or manufactured on or after July 1, 2027.

(c) The tax imposed under this Subsection [(+) (2):

(i) shall be imposed at a proportionate rate for:

(A) any quantity of beer other than a 31-gallon barrel; or

(B) the fractional parts of a 31-gallon barrel; and

(ii) may not be imposed more than once on the same beer.

## HB0548S03 compared with HB0548S02

~~[(2)]~~ (3) A tax may not be imposed on beer:

- (a) sold to the United States and its agencies; or
- (b) (i) manufactured or imported for sale, use, or distribution outside the state; and
- (ii) exported from the state.

Section 49. Section **59-15-109** is amended to read:

### **59-15-109. Commission to deposit beer tax revenue.**

(1) ~~[Except as provided in Subsection (2), taxes collected under this chapter shall be paid by the commission to the state treasurer daily for deposit]~~ Except as provided in Subsections (2) and (3), the commission shall deposit revenue collected under this chapter as follows:

(a) the greater of the following shall be deposited into the Alcoholic Beverage Enforcement and Treatment Restricted Account created in Section 32B-2-403:

(i) an amount calculated by:

(A) determining an amount equal to 50% of the revenue collected for the fiscal year two years preceding the fiscal year for which the deposit is made; and

(B) subtracting \$30,000 from the amount determined under Subsection (1)(a)(i)(A); or

(ii) \$4,350,000; and

(b) the revenue collected in excess of the amount deposited in accordance with Subsection (1)(a) shall be deposited into the General Fund.

(2) The ~~[state treasurer]~~ commission shall annually deposit into the Alcoholic Beverage Enforcement and Treatment Restricted Account created in Section 32B-2-403 an amount equal to the amount of revenue generated in the current fiscal year by the portion of the tax imposed under Section 59-15-101 that ~~[exceeds]~~ is equal to:

~~[(a) \$12.80 per 31-gallon barrel for beer imported or manufactured:]~~

~~[(i) on or after July 1, 2003; and]~~

~~[(ii) for sale, use, or distribution in this state; and]~~

(a) \$0.30 per 31-gallon barrel for beer imported or manufactured on or after July 1, 2003; and

(b) a proportionate rate to the rate described in Subsection (2)(a) for:

(i) any quantity of beer other than a 31-gallon barrel; or

(ii) the fractional parts of a 31-gallon barrel.

## HB0548S03 compared with HB0548S02

(3) Beginning fiscal year 2024-25, the commission shall annually deposit into the Alcoholic Beverage Control Act Enforcement Fund created in Section 32B-2-305 an amount equal to the amount of revenue generated in the current fiscal year by the portion of the tax imposed under Section 59-15-101 that exceeds:

(a) \$13.10 per 31-gallon barrel for beer imported or manufactured on or after July 1, 2024; and

(b) a proportionate rate to the rate described in Subsection (3)(a) for:

(i) any quantity of beer other than a 31-gallon barrel; or

(ii) the fractional parts of a 31-gallon barrel.

~~[(3)]~~ (4) (a) The commission shall notify the entities described in Subsection ~~[(3)(b)]~~ (4)(b) not later than the September 1 preceding the fiscal year of the deposit of:

(i) the amount of the proceeds of the beer excise tax collected in accordance with this section for the fiscal year two years preceding the fiscal year of deposit; and

(ii) an amount equal to 50% of the amount listed in Subsection ~~[(3)(a)(i)]~~ (4)(~~fb~~a)(i).

(b) The notification required by Subsection ~~[(3)(a)]~~ (4)(a) shall be sent to:

(i) the Governor's Office of Planning and Budget; and

(ii) the Legislative Fiscal Analyst.

Section 50. Section **63I-2-232** is amended to read:

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

(1) Subsection 32B-1-603.5(7), regarding the Department of Alcoholic Beverage Services' review of beer that is sold or distributed in the state, is repealed December 31, 2024.

(2) Subsection 32B-2-205(4), which creates a workgroup to make recommendations regarding training and ~~record keeping~~ recordkeeping for certain cash transactions, is repealed January 1, 2025.

Section 51. **Repealer.**

This bill repeals:

Section **32B-2-210, Alcoholic Beverage Services Advisory Board.**

Section 52. **Effective date.**

This bill takes effect on May 1, 2024.