



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
Second Regular Session

House: COM DPA 10-0-0-0 | 3<sup>rd</sup> Read 57-0-2-0-1

Senate: FICO DP 6-0-1-0 | 3<sup>rd</sup> Read 17-9-4-0-0

**HB 2185: liquor; policies; procedures**  
**Sponsor: Representative Gress, LD 4**  
**Senate Engrossed**

**Overview**

Makes various changes to liquor statutes.

**History**

The [Department](#) of Liquor Licenses and Control (DLLC), which consists of the State Liquor Board and the Office of the Director of the Department regulates the manufacture, distribution and sale of liquor in this state through the issuance of [21 license](#) types or series.

A special event license is a temporary license which allows a government entity or certain organizations to sell and serve spirituous liquor for consumption at the event. Prior to the issuance of a special event license, events that occur at an otherwise unlicensed location or by a licensee at a location that is not fully within the exiting licensed premises must be approved by a county board of supervisors or a municipality's governing body, depending on where the event is to be held ([A.R.S. § 4-203.02](#)).

**Provisions**

1. Requires a special event license, prior to issuance, to be approved by the President of a university under the jurisdiction of the Arizona Board of Regents if the event is to be held on the university's property. (Sec. 1)
2. Allows a special event license to be issued concurrently with a microbrewery festival license. (Sec. 1)
3. Removes the ability of DLLC to approve the location of a wine festival license within an excluded area of a special event license. (Sec. 1)
4. Provides an exemption for restaurant licensees who meet specified qualifications from the statutory percentage cap of total liquor sales for mixed cocktails off-sale use. (Sec. 2)
5. Requires DLLC to provide, through December 31, 2025, for an addendum to leases relating to the privilege of selling mixed cocktails for consumption off the licensed premises to restaurants that derive at least 90% of gross revenues from the sale of food and that have off-sale liquor sales that exceed 30% of total liquor sales in either 2023 or 2024. (Sec. 2)
6. Outlines the conditions applicable to the lease addendum. (Sec. 2)
7. Adds that DLLC may issue a new license of the same series in the same county for licenses that have been surrendered. (Sec. 3)

Prop 105 (45 votes)     Prop 108 (40 votes)     Emergency (40 votes)     Fiscal Note

8. Allows an applicant for a liquor store license and a bar license to consolidate the application and apply for both licenses at the same time. (Sec. 3)
9. Requires a liquor store license and a bar license on the same premises to be owned by and issued to the same licensee. (Sec. 3)
10. Permits a liquor licensee with on-sale retail privileges to apply for an extension of premises on an ongoing limited use basis to contiguous property that is owned or leased by the applicant licensee or to property that the applicant licensee has permission to use. (Sec. 4)
11. Allows DLLC to include noncontiguous private property on the extended premises if the property meets the requirements of DLLC rules applicable to the regularly licensed premises. (Sec. 4)
12. Requires the applicant for an extension of premises to include in the application the proposed days and times that the extended premises will be used. (Sec. 4)
13. Permits the local governing body to conduct an optional safety inspection of the extended premises during specified times. (Sec. 4)
14. Restates that the application for an extension of premises must contain a plan and an accurate diagram that designates the proposed physical arrangement of the extended premises, including the location of ingress and egress from the extended premises or other requirements as outlined. (Sec. 4)
15. Instructs DLLC to determine the appropriate security measures that the applicant licensee must use to control liquor service on the extended premises and to protect public health and safety. (Sec. 4)
16. Includes a requirement that the security plan must be designed in a manner to ensure that security and oversight of the extended premises is provided by the applicant licensee. (Sec. 4)
17. Requires the applicant for an extension of premises to provide the written notice of any modification to the local governing body. (Sec. 4)
18. Prohibits a licensee from modifying the physical arrangement of the extended premises, the location of ingress or egress or the security to be provided without notifying the local governing body and DLLC at least 10 days in advance. (Sec. 4)
19. Allows DLLC to consult with the local governing body and approve, reject or modify the proposed modification. (Sec. 4)
20. Adds that further compliance with the requirements relating to an initial extended premises application are not required if the only proposed modification is to reduce the size of the extended premises. (Sec. 4)
21. Specifies that a permit for an extended premises is valid for six consecutive months or less, which is calculated from the first date to the last date of the extended premises. (Sec. 4)
22. Asserts the extended premises provisions do not exempt the applicant licensee from complying with any local governing body event permit requirements. (Sec. 4)
23. Specifies extended premises provisions do not apply to a permanent change in the premises and do not prevent DLLC, together with a local government, from waiving the extended premises requirements for an application or event. (Sec. 4)

24. Removes the exception which allows producers and wholesales who designate an area separate from the off-sale retailer's premises to provide samples to retail consumers on an off-sale retailer's premises. (Sec. 5)
25. Adds that, beginning January 1, 2024, a restaurant licensee that derives at least 90% of its gross revenue from the sale of food and that has off-sale spirituous liquor sales that exceed 30% of total spirituous liquor sales is not in violation of the statutory cap of total liquor sales off-sale use. (Sec. 6)
26. Makes technical changes. (Sec. 1, 2, 5)

**Senate Amendments**

1. Removes the provision which adds that, beginning January 1, 2024, a restaurant licensee that derives at least 90% of gross revenue from food sales and that has off-sale spirituous liquor sales that exceed 30% of total spirituous liquor sales is not in violation of the statutory cap of total liquor sales off-sale use.