



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2199: restaurants; small alcohol ratio exemption

Sponsor: Representative Gress, LD 4

Committee on Commerce

Overview

Provides an exemption to certain restaurants from the statutory total sales limit relating to mixed cocktails.

History

A restaurant license may be issued to any restaurant that is regularly open for serving food to guests for compensation, has suitable kitchen facilities connected with the restaurant for keeping, cooking and preparing foods require for ordinary meals and derives at least 40% of its gross revenues from the sale of food. A restaurant licensee may sell and serve spirituous liquors solely for consumption on the licensed premises, unless the licensee has certain permits allowing for the sale of alcohol for consumption off the licensed premises ([A.R.S. § 4-205.02](#)).

[Laws 2021, Chapter 375](#), permitted a restaurant licensee to lease a bar or liquor stores licensee's privilege to sell mixed cocktails for consumption off the licensed premises. The sale of mixed cocktails for consumption off the licensed premises must be accompanied by the sale of food and the total sales price for off-sale use cannot exceed 30% of the total sales price of on-sale spirituous liquor by the licensee at that location.

A *mixed cocktail* is any drink combined at the premises of an authorized licensee that contains a spirituous liquor and that is combined with at least one other ingredient, which may include additional spirituous liquors, fruit juice, vegetable juice, mixers, cream, flavored syrup or other ingredients except water, and that when combined contains more than one-half of one percent of alcohol by volume ([A.R.S. § 4-101](#)).

Provisions

1. Exempts restaurants that derive at least 90% of their gross revenue from the sale of food, including sales of food for consumption off the license premises, from the total sales percentage cap relating to mixed cocktails. (Sec. 1)
2. Defines *gross revenue*. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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