

ALCOHOL AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Timothy D. Hawkes

Senate Sponsor: Jerry W. Stevenson

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LONG TITLE

General Description:

This bill amends and enacts provisions of the Alcoholic Beverage Control Act.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides a grandfather clause for certain licensees regarding proximity requirements;
- ▶ prohibits advertising that promotes the intoxicating effects of alcohol or emphasizes the high alcohol content of an alcoholic product;
- ▶ enacts provisions regarding percentage lease agreements;
- ▶ consolidates provisions regarding qualifications for a resort license;
- ▶ grants the Alcoholic Beverage Control Commission (commission) plenary power to deem a license, permit, or certificate of approval forfeit;
- ▶ consolidates provisions regarding application requirements for retail licenses;
- ▶ grants the commission rulemaking authority to set standards for dispensing stations and areas;
- ▶ permits certain package agencies and an on-premise banquet licensee to provide an alcoholic product free of charge to a guest room as part of room service under certain conditions;
- ▶ amends provisions regarding the timing of reporting violations;
- ▶ grants the department power to issue an order to show cause under certain conditions;

- 30           ▶ amends provisions regarding multiple retail licenses operating on the same  
31 premises;
- 32           ▶ amends provisions regarding bringing an alcoholic product onto or removing an  
33 alcoholic product from licensed premises;
- 34           ▶ amends provisions regarding a retail licensee ceasing operation;
- 35           ▶ amends operational requirements for a full-service restaurant licensee regarding  
36 leasing a locker for a patron's storage of wine;
- 37           ▶ amends provisions regarding minors in or on the lounge or bar areas of certain  
38 licensees;
- 39           ▶ amends the definition of recreational amenity;
- 40           ▶ grants the commission power to designate by rule a recreational amenity under  
41 certain conditions;
- 42           ▶ amends the total annual gross receipts from the sale of food that a reception center  
43 licensee must maintain;
- 44           ▶ creates a hospitality amenity license as a retail license and establishes operational  
45 requirements;
- 46           ▶ prohibits one or more licensees from having a retail license on the same licensed  
47 premises or adjacent to an off-premise beer retailer state licensee's licensed  
48 premises, except under certain conditions;
- 49           ▶ amends the Transfer of Retail License Act to:
- 50               • govern the transfer of an off-premise beer retailer state license, a manufacturing  
51 license, and an industrial or manufacturing use permit; and
- 52               • permit the transfer of a bar establishment license across county lines;
- 53           ▶ creates an arena license, including licensing requirements, operational requirements,  
54 and enforcement;
- 55           ▶ consolidates provisions regarding sublicenses, creating the Sublicense Act;
- 56           ▶ requires a person who substantially changes an event permit application to pay a  
57 nonrefundable fee;

- 58           ▶ repeals provisions regarding enforcement of the Nuisance Retail Licensee Act in
- 59 relation to hotel and resort licensees; and
- 60           ▶ makes technical and conforming changes.

**61 Money Appropriated in this Bill:**

62           None

**63 Other Special Clauses:**

64           None

**65 Utah Code Sections Affected:**

66 AMENDS:

67           **32B-1-102**, as last amended by Laws of Utah 2019, Chapters 336, 403, 498 and last  
68 amended by Coordination Clause, Laws of Utah 2019, Chapter 403

69           **32B-1-202**, as last amended by Laws of Utah 2018, Chapter 249

70           **32B-1-206**, as renumbered and amended by Laws of Utah 2011, Chapter 307

71           **32B-1-304**, as last amended by Laws of Utah 2019, Chapter 145

72           **32B-1-305**, as last amended by Laws of Utah 2019, Chapter 403

73           **32B-1-607**, as last amended by Laws of Utah 2019, Chapter 403

74           **32B-2-202**, as last amended by Laws of Utah 2019, Chapter 403

75           **32B-2-605**, as last amended by Laws of Utah 2019, Chapter 403

76           **32B-3-202**, as enacted by Laws of Utah 2010, Chapter 276

77           **32B-3-204**, as last amended by Laws of Utah 2012, Chapter 365

78           **32B-4-415**, as last amended by Laws of Utah 2018, Chapter 249

79           **32B-4-422**, as last amended by Laws of Utah 2011, Chapter 307

80           **32B-5-201**, as last amended by Laws of Utah 2017, Chapter 455

81           **32B-5-202**, as last amended by Laws of Utah 2018, Chapter 249

82           **32B-5-203**, as enacted by Laws of Utah 2010, Chapter 276

83           **32B-5-204**, as enacted by Laws of Utah 2010, Chapter 276

84           **32B-5-207**, as last amended by Laws of Utah 2019, Chapter 403

85           **32B-5-301**, as last amended by Laws of Utah 2019, Chapter 403

86           **32B-5-307**, as last amended by Laws of Utah 2018, Chapter 249  
87           **32B-5-309**, as and further amended by Revisor Instructions, Laws of Utah 2013,  
88 Chapter 349  
89           **32B-6-205**, as last amended by Laws of Utah 2019, Chapter 403  
90           **32B-6-205.2**, as last amended by Laws of Utah 2019, Chapter 403  
91           **32B-6-406**, as last amended by Laws of Utah 2018, Chapter 249  
92           **32B-6-603**, as last amended by Laws of Utah 2019, Chapter 403  
93           **32B-6-605**, as last amended by Laws of Utah 2019, Chapter 403  
94           **32B-6-702**, as last amended by Laws of Utah 2019, Chapter 403  
95           **32B-6-803**, as last amended by Laws of Utah 2019, Chapter 403  
96           **32B-6-805**, as last amended by Laws of Utah 2019, Chapter 403  
97           **32B-8-102**, as last amended by Laws of Utah 2017, Chapter 455  
98           **32B-8-201**, as enacted by Laws of Utah 2010, Chapter 276  
99           **32B-8-202**, as last amended by Laws of Utah 2011, Chapter 334  
100           **32B-8-401**, as last amended by Laws of Utah 2011, Chapters 307 and 334  
101           **32B-8-501**, as last amended by Laws of Utah 2019, Chapter 145  
102           **32B-8-502**, as enacted by Laws of Utah 2010, Chapter 276  
103           **32B-8a-101**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by  
104 Revisor Instructions, Laws of Utah 2013, Chapter 349  
105           **32B-8a-102**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by  
106 Revisor Instructions, Laws of Utah 2013, Chapter 349  
107           **32B-8a-201**, as last amended by Laws of Utah 2013, Chapter 349 and further amended  
108 by Revisor Instructions, Laws of Utah 2013, Chapter 349  
109           **32B-8a-202**, as last amended by Laws of Utah 2018, Chapter 249  
110           **32B-8a-203**, as last amended by Laws of Utah 2018, Chapter 249  
111           **32B-8a-302**, as last amended by Laws of Utah 2017, Chapters 455, 471 and last  
112 amended by Coordination Clause, Laws of Utah 2017, Chapter 471  
113           **32B-8a-303**, as and further amended by Revisor Instructions, Laws of Utah 2013,

- 114 Chapter 349
- 115       **32B-8a-401**, as last amended by Laws of Utah 2016, Chapter 82
- 116       **32B-8a-402**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 117 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 118       **32B-8a-404**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 119 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 120       **32B-8a-501**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 121 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 122       **32B-8a-502**, as enacted by Laws of Utah 2011, Chapter 334 and further amended by
- 123 Revisor Instructions, Laws of Utah 2013, Chapter 349
- 124       **32B-8b-102**, as last amended by Laws of Utah 2018, Chapter 249
- 125       **32B-8b-201**, as last amended by Laws of Utah 2017, Chapter 455
- 126       **32B-8b-202**, as enacted by Laws of Utah 2016, Chapter 80
- 127       **32B-8b-301**, as last amended by Laws of Utah 2018, Chapter 249
- 128       **32B-8b-401**, as enacted by Laws of Utah 2016, Chapter 80
- 129       **32B-9-201**, as last amended by Laws of Utah 2012, Chapter 365
- 130       **32B-10-206**, as enacted by Laws of Utah 2010, Chapter 276
- 131       **32B-11-208**, as enacted by Laws of Utah 2010, Chapter 276
- 132       **32B-11-403**, as last amended by Laws of Utah 2016, Chapter 266
- 133       **63I-2-232**, as last amended by Laws of Utah 2019, First Special Session, Chapter 2
- 134 ENACTS:
- 135       **32B-1-208**, Utah Code Annotated 1953
- 136       **32B-7-409**, Utah Code Annotated 1953
- 137       **32B-6-1001**, Utah Code Annotated 1953
- 138       **32B-6-1002**, Utah Code Annotated 1953
- 139       **32B-6-1003**, Utah Code Annotated 1953
- 140       **32B-6-1004**, Utah Code Annotated 1953
- 141       **32B-6-1005**, Utah Code Annotated 1953

- 142 **32B-8c-101**, Utah Code Annotated 1953
- 143 **32B-8c-102**, Utah Code Annotated 1953
- 144 **32B-8c-201**, Utah Code Annotated 1953
- 145 **32B-8c-202**, Utah Code Annotated 1953
- 146 **32B-8c-301**, Utah Code Annotated 1953
- 147 **32B-8c-401**, Utah Code Annotated 1953
- 148 **32B-8d-101**, Utah Code Annotated 1953
- 149 **32B-8d-102**, Utah Code Annotated 1953
- 150 **32B-8d-103**, Utah Code Annotated 1953
- 151 **32B-8d-104**, Utah Code Annotated 1953
- 152 **32B-8d-105**, Utah Code Annotated 1953
- 153 **32B-8d-201**, Utah Code Annotated 1953

154 RENUMBERS AND AMENDS:

- 155 **32B-8d-202**, (Renumbered from 32B-8-301, as enacted by Laws of Utah 2010, Chapter
- 156 276)
- 157 **32B-8d-203**, (Renumbered from 32B-8-302, as enacted by Laws of Utah 2010, Chapter
- 158 276)
- 159 **32B-8d-204**, (Renumbered from 32B-8-303, as enacted by Laws of Utah 2010, Chapter
- 160 276)
- 161 **32B-8d-205**, (Renumbered from 32B-8-304, as last amended by Laws of Utah 2017,
- 162 Chapter 455)

163 REPEALS:

- 164 **32B-8-203**, as enacted by Laws of Utah 2010, Chapter 276
- 165 **32B-8-204**, as last amended by Laws of Utah 2011, Chapter 334
- 166 **32B-8-402**, as last amended by Laws of Utah 2011, Chapter 334
- 167 **32B-8-503**, as enacted by Laws of Utah 2010, Chapter 276
- 168 **32B-8b-203**, as enacted by Laws of Utah 2016, Chapter 80
- 169 **32B-8b-204**, as enacted by Laws of Utah 2016, Chapter 80

170 **32B-8b-302**, as last amended by Laws of Utah 2018, Chapter 249

171 **32B-8b-402**, as enacted by Laws of Utah 2016, Chapter 80

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

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

175 **32B-1-102. Definitions.**

176 As used in this title:

177 (1) "Airport lounge" means a business location:

178 (a) at which an alcoholic product is sold at retail for consumption on the premises; and

179 (b) that is located at an international airport with a United States Customs office on the

180 premises of the international airport.

181 (2) "Airport lounge license" means a license issued in accordance with Chapter 5,

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

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

184 (a) beer; or

185 (b) liquor.

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

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

188 (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other

189 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol

190 in an amount equal to or greater than .5% of alcohol by volume.

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

192 (c) "Alcoholic product" does not include any of the following common items that

193 otherwise come within the definition of an alcoholic product:

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

195 (ii) vinegar;

196 (iii) preserved nonintoxicating cider;

197 (iv) essence;

- 198 (v) tincture;
- 199 (vi) food preparation; or
- 200 (vii) an over-the-counter medicine.
- 201 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation
- 202 when it is used as a flavoring in the manufacturing of an alcoholic product.
- 203 (5) "Alcohol training and education seminar" means a seminar that is:
- 204 (a) required by Chapter 1, Part 7, Alcohol Training and Education Act; and
- 205 (b) described in Section 62A-15-401.
- 206 (6) "Arena" means an enclosed building:
- 207 (a) that is managed by:
- 208 (i) the same person who owns the enclosed building;
- 209 (ii) a person who has a majority interest in each person who owns or manages a space
- 210 in the enclosed building; or
- 211 (iii) a person who has authority to direct or exercise control over the management or
- 212 policy of each person who owns or manages a space in the enclosed building;
- 213 (b) that operates as a venue; and
- 214 (c) that has an occupancy capacity of at least 12,500.
- 215 (7) "Arena license" means a license issued in accordance with Chapter 5, Retail
- 216 License Act, and Chapter 8c, Arena License Act.
- 217 [(6)] (8) "Banquet" means [a private] an event:
- 218 (a) that is a private event or a privately sponsored event;
- 219 [(a)] (b) that is held at one or more designated locations approved by the commission
- 220 in or on the premises of [a]:
- 221 (i) a hotel;
- 222 (ii) a resort facility;
- 223 (iii) a sports center;
- 224 (iv) a convention center; [or]
- 225 (v) a performing arts facility; or



226            (vi) an arena;  
227            [~~(b)~~] (c) for which there is a contract:  
228            (i) between a person operating a facility listed in Subsection [~~(6)(a)~~] (8)(b) and another  
229 person that has common ownership of less than 20% with the person operating the facility; and  
230            (ii) under which the person operating a facility listed in Subsection [~~(6)(a)~~] (8)(b) is  
231 required to provide an alcoholic product at the event; and  
232            [~~(c)~~] (d) at which food and alcoholic products may be sold, offered for sale, or  
233 furnished.  
234            [~~(7)~~] (9) "Bar structure" means a surface or structure on a licensed premises if on or at  
235 any place of the surface or structure an alcoholic product is:  
236            (a) stored; or  
237            (b) dispensed.  
238            [~~(8)~~] (10) (a) "Bar establishment license" means a license issued in accordance with  
239 Chapter 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.  
240            (b) "Bar establishment license" includes:  
241            (i) a dining club license;  
242            (ii) an equity license;  
243            (iii) a fraternal license; or  
244            (iv) a bar license.  
245            [~~(9)~~] (11) "Bar license" means a license issued in accordance with Chapter 5, Retail  
246 License Act, and Chapter 6, Part 4, Bar Establishment License.  
247            [~~(10)~~] (12) (a) Subject to Subsection (10)(d), "beer" means a product that:  
248            (i) contains at least .5% of alcohol by volume, but not more than 5% of alcohol by  
249 volume or 4% by weight; and  
250            (ii) is obtained by fermentation, infusion, or decoction of malted grain.  
251            (b) "Beer" may or may not contain hops or other vegetable products.  
252            (c) "Beer" includes a product that:  
253            (i) contains alcohol in the percentages described in Subsection [~~(10)~~] (12)(a); and

254 (ii) is referred to as:

255 (A) beer;

256 (B) ale;

257 (C) porter;

258 (D) stout;

259 (E) lager; or

260 (F) a malt or malted beverage.

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

262 [~~(11)~~] (13) "Beer-only restaurant license" means a license issued in accordance with  
263 Chapter 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.

264 [~~(12)~~] (14) "Beer retailer" means a business that:

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

267 (b) is licensed as:

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

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

272 [~~(13)~~] (15) "Beer wholesaling license" means a license:

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

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

276 [~~(14)~~] (16) "Billboard" means a public display used to advertise, including:

277 (a) a light device;

278 (b) a painting;

279 (c) a drawing;

280 (d) a poster;

281 (e) a sign;

282 (f) a signboard; or

283 (g) a scoreboard.

284 ~~[(15)]~~ (17) "Brewer" means a person engaged in manufacturing:

285 (a) beer;

286 (b) heavy beer; or

287 (c) a flavored malt beverage.

288 ~~[(16)]~~ (18) "Brewery manufacturing license" means a license issued in accordance with  
289 Chapter 11, Part 5, Brewery Manufacturing License.

290 ~~[(17)]~~ (19) "Certificate of approval" means a certificate of approval obtained from the  
291 department under Section [32B-11-201](#).

292 ~~[(18)]~~ (20) "Chartered bus" means a passenger bus, coach, or other motor vehicle  
293 provided by a bus company to a group of persons pursuant to a common purpose:

294 (a) under a single contract;

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

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

298 ~~[(19)]~~ (21) "Church" means a building:

299 (a) set apart for worship;

300 (b) in which religious services are held;

301 (c) with which clergy is associated; and

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

303 ~~[(20)]~~ (22) "Commission" means the Alcoholic Beverage Control Commission created  
304 in Section [32B-2-201](#).

305 ~~[(21)]~~ (23) "Commissioner" means a member of the commission.

306 ~~[(22)]~~ (24) "Community location" means:

307 (a) a public or private school;

308 (b) a church;

309 (c) a public library;

310 (d) a public playground; or

311 (e) a public park.

312 [~~(23)~~] (25) "Community location governing authority" means:

313 (a) the governing body of the community location; or

314 (b) if the commission does not know who is the governing body of a community  
315 location, a person who appears to the commission to have been given on behalf of the  
316 community location the authority to prohibit an activity at the community location.

317 [~~(24)~~] (26) "Container" means a receptacle that contains an alcoholic product,  
318 including:

319 (a) a bottle;

320 (b) a vessel; or

321 (c) a similar item.

322 [~~(25)~~] (27) "Convention center" means a facility that is:

323 (a) in total at least 30,000 square feet; and

324 (b) otherwise defined as a "convention center" by the commission by rule.

325 [~~(26)~~] (28) (a) "Counter" means a surface or structure in a dining area of a licensed  
326 premises where seating is provided to a patron for service of food.

327 (b) "Counter" does not include a dispensing structure.

328 [~~(27)~~] (29) "Crime involving moral turpitude" is as defined by the commission by rule.

329 [~~(28)~~] (30) "Department" means the Department of Alcoholic Beverage Control created  
330 in Section [32B-2-203](#).

331 [~~(29)~~] (31) "Department compliance officer" means an individual who is:

332 (a) an auditor or inspector; and

333 (b) employed by the department.

334 [~~(30)~~] (32) "Department sample" means liquor that is placed in the possession of the  
335 department for testing, analysis, and sampling.

336 [~~(31)~~] (33) "Dining club license" means a license issued in accordance with Chapter 5,  
337 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the

338 commission as a dining club license.

339           ~~[(32)]~~ (34) "Director," unless the context requires otherwise, means the director of the  
340 department.

341           ~~[(33)]~~ (35) "Disciplinary proceeding" means an adjudicative proceeding permitted  
342 under this title:

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

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

345           ~~[(34)]~~ (36) (a) Subject to Subsection ~~[(34)]~~ (36)(b), "dispense" means:

346           (i) drawing an alcoholic product; and

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

349           (b) The definition of "dispense" in this Subsection ~~[(34)]~~ (36) applies only to:

350           (i) a full-service restaurant license;

351           (ii) a limited-service restaurant license;

352           (iii) a reception center license; and

353           (iv) a beer-only restaurant license.

354           ~~[(35)]~~ (37) "Dispensing structure" means a surface or structure on a licensed premises:

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

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

357           ~~[(36)]~~ (38) "Distillery manufacturing license" means a license issued in accordance  
358 with Chapter 11, Part 4, Distillery Manufacturing License.

359           ~~[(37)]~~ (39) "Distressed merchandise" means an alcoholic product in the possession of  
360 the department that is saleable, but for some reason is unappealing to the public.

361           ~~[(38)] "Educational facility" includes:~~

362           ~~[(a) a nursery school;]~~

363           ~~[(b) an infant day care center; and]~~

364           ~~[(c) a trade and technical school.]~~

365           ~~[(39)]~~ (40) "Equity license" means a license issued in accordance with Chapter 5,

366 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the  
367 commission as an equity license.

368 ~~[(40)]~~ (41) "Event permit" means:

369 (a) a single event permit; or

370 (b) a temporary beer event permit.

371 ~~[(41)]~~ (42) "Exempt license" means a license exempt under Section 32B-1-201 from  
372 being considered in determining the total number of retail licenses that the commission may  
373 issue at any time.

374 ~~[(42)]~~ (43) (a) "Flavored malt beverage" means a beverage:

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

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

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

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

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

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

385 ~~[(43)]~~ (44) "Fraternal license" means a license issued in accordance with Chapter 5,  
386 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the  
387 commission as a fraternal license.

388 ~~[(44)]~~ (45) "Full-service restaurant license" means a license issued in accordance with  
389 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.

390 ~~[(45)]~~ (46) (a) "Furnish" means by any means to provide with, supply, or give an  
391 individual an alcoholic product, by sale or otherwise.

392 (b) "Furnish" includes to:

393 (i) serve;

394 (ii) deliver; or  
395 (iii) otherwise make available.  
396 [~~46~~] (47) "Guest" means an individual who meets the requirements of Subsection  
397 32B-6-407(9).  
398 [~~47~~] (48) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.  
399 [~~48~~] (49) "Health care practitioner" means:  
400 (a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;  
401 (b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;  
402 (c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;  
403 (d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice  
404 Act;  
405 (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,  
406 Nurse Practice Act;  
407 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy  
408 Practice Act;  
409 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational  
410 Therapy Practice Act;  
411 (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;  
412 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health  
413 Professional Practice Act;  
414 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;  
415 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical  
416 Practice Act;  
417 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental  
418 Hygienist Practice Act; and  
419 (m) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician  
420 Assistant Act.  
421 [~~49~~] (50) (a) "Heavy beer" means a product that:

422 (i) contains more than 5% alcohol by volume; and  
423 (ii) is obtained by fermentation, infusion, or decoction of malted grain.  
424 (b) "Heavy beer" is considered liquor for the purposes of this title.  
425 (51) "Hospitality amenity license" means a license issued in accordance with Chapter  
426 5, Retail License Act, and Chapter 6, Part 10, Hospitality Amenity License.  
427 [~~(50)~~] (52) "Hotel" means a commercial lodging establishment that:  
428 (a) offers at least [~~30~~] 40 rooms as temporary sleeping accommodations for  
429 compensation;  
430 (b) is capable of hosting conventions, conferences, and food and beverage functions  
431 under a banquet contract; and  
432 (c) (i) has adequate kitchen or culinary facilities on the premises to provide complete  
433 meals; or  
434 (ii) (A) has at least 1,000 square feet of function space consisting of meeting or dining  
435 rooms that can be reserved for private use under a banquet contract [~~that~~] and can  
436 accommodate at least 75 individuals; or  
437 (B) if the establishment is located in a small or unincorporated locality, has an  
438 appropriate amount of function space consisting of meeting or dining rooms that can be  
439 reserved for private use under a banquet contract, as determined by the commission.  
440 [~~(51)~~] (53) "Hotel license" means a license issued in accordance with Chapter 5, Retail  
441 License Act, and Chapter 8b, Hotel License Act.  
442 [~~(52)~~] (54) "Identification card" means an identification card issued under Title 53,  
443 Chapter 3, Part 8, Identification Card Act.  
444 [~~(53)~~] (55) "Industry representative" means an individual who is compensated by  
445 salary, commission, or other means for representing and selling an alcoholic product of a  
446 manufacturer, supplier, or importer of liquor.  
447 [~~(54)~~] (56) "Industry representative sample" means liquor that is placed in the  
448 possession of the department for testing, analysis, and sampling by a local industry  
449 representative on the premises of the department to educate the local industry representative of



450 the quality and characteristics of the product.

451 ~~[(55)]~~ (57) "Interdicted person" means a person to whom the sale, offer for sale, or  
452 furnishing of an alcoholic product is prohibited by:

453 (a) law; or

454 (b) court order.

455 ~~[(56)]~~ (58) "Intoxicated" means that a person:

456 (a) is significantly impaired as to the person's mental or physical functions as a result of  
457 the use of:

458 (i) an alcoholic product;

459 (ii) a controlled substance;

460 (iii) a substance having the property of releasing toxic vapors; or

461 (iv) a combination of Subsections ~~[(56)]~~ (58)(a)(i) through (iii); and

462 (b) exhibits plain and easily observed outward manifestations of behavior or physical  
463 signs produced by the overconsumption of an alcoholic product.

464 ~~[(57)]~~ (59) "Investigator" means an individual who is:

465 (a) a department compliance officer; or

466 (b) a nondepartment enforcement officer.

467 ~~[(58) "Invitee" means the same as that term is defined in Section 32B-8-102.]~~

468 ~~[(59)]~~ (60) "License" means:

469 (a) a retail license;

470 (b) a sublicense;

471 ~~[(b)]~~ (c) a license issued in accordance with Chapter 11, Manufacturing and Related  
472 Licenses Act;

473 ~~[(c)]~~ (d) a license issued in accordance with Chapter 12, Liquor Warehousing License  
474 Act;

475 ~~[(d)]~~ (e) a license issued in accordance with Chapter 13, Beer Wholesaling License  
476 Act; or

477 ~~[(e)]~~ (f) a license issued in accordance with Chapter 17, Liquor Transport License Act.

478           ~~[(60)]~~ (61) "Licensee" means a person who holds a license.

479           ~~[(61)]~~ (62) "Limited-service restaurant license" means a license issued in accordance  
480 with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.

481           ~~[(62)]~~ (63) "Limousine" means a motor vehicle licensed by the state or a local  
482 authority, other than a bus or taxicab:

483           (a) in which the driver and a passenger are separated by a partition, glass, or other  
484 barrier;

485           (b) that is provided by a business entity to one or more individuals at a fixed charge in  
486 accordance with the business entity's tariff; and

487           (c) to give the one or more individuals the exclusive use of the limousine and a driver  
488 to travel to one or more specified destinations.

489           ~~[(63)]~~ (64) (a) (i) "Liquor" means a liquid that:

490           (A) is:

491           (I) alcohol;

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

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

494           (IV) other drink or drinkable liquid; and

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

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

497           (ii) "Liquor" includes:

498           (A) heavy beer;

499           (B) wine; and

500           (C) a flavored malt beverage.

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

502           ~~[(64)]~~ (65) "Liquor Control Fund" means the enterprise fund created by Section  
503 [32B-2-301](#).

504           ~~[(65)]~~ (66) "Liquor transport license" means a license issued in accordance with  
505 Chapter 17, Liquor Transport License Act.

506            [~~(66)~~] (67) "Liquor warehousing license" means a license that is issued:  
507            (a) in accordance with Chapter 12, Liquor Warehousing License Act; and  
508            (b) to a person, other than a licensed manufacturer, who engages in the importation for  
509 storage, sale, or distribution of liquor regardless of amount.

510            [~~(67)~~] (68) "Local authority" means:  
511            (a) for premises that are located in an unincorporated area of a county, the governing  
512 body of a county;  
513            (b) for premises that are located in an incorporated city, town, or metro township, the  
514 governing body of the city, town, or metro township; or  
515            (c) for premises that are located in a project area as defined in Section 63H-1-201 and  
516 in a project area plan adopted by the Military Installation Development Authority under Title  
517 63H, Chapter 1, Military Installation Development Authority Act, the Military Installation  
518 Development Authority.

519            [~~(68)~~] (69) "Lounge or bar area" is as defined by rule made by the commission.

520            [~~(69)~~] (70) "Manufacture" means to distill, brew, rectify, mix, compound, process,  
521 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to  
522 others.

523            [~~(70)~~] (71) "Member" means an individual who, after paying regular dues, has full  
524 privileges in an equity licensee or fraternal licensee.

525            [~~(71)~~] (72) (a) "Military installation" means a base, air field, camp, post, station, yard,  
526 center, or homeport facility for a ship:

527            (i) (A) under the control of the United States Department of Defense; or  
528            (B) of the National Guard;  
529            (ii) that is located within the state; and  
530            (iii) including a leased facility.

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

532            (i) civil works;  
533            (ii) a rivers and harbors project; or

534 (iii) a flood control project.

535 [~~(72)~~] (73) "Minibar" means an area of a hotel guest room where one or more alcoholic  
536 products are kept and offered for self-service sale or consumption.

537 [~~(73)~~] (74) "Minor" means an individual under the age of 21 years.

538 [~~(74)~~] (75) "Nondepartment enforcement agency" means an agency that:

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

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

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

542 [~~(75)~~] (76) "Nondepartment enforcement officer" means an individual who is:

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

544 (b) employed by a nondepartment enforcement agency.

545 [~~(76)~~] (77) (a) "Off-premise beer retailer" means a beer retailer who is:

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

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

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

550 [~~(77)~~] (78) "Off-premise beer retailer state license" means a state license issued in  
551 accordance with Chapter 7, Part 4, Off-Premise Beer Retailer State License.

552 [~~(78)~~] (79) "On-premise banquet license" means a license issued in accordance with  
553 Chapter 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.

554 [~~(79)~~] (80) "On-premise beer retailer" means a beer retailer who is:

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

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

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

- 562 (ii) on and after March 1, 2012, operating:
- 563 (A) as a tavern; or
- 564 (B) in a manner that meets the requirements of Subsection [32B-6-703\(2\)\(e\)\(i\)](#).
- 565 ~~[(80)]~~ (81) "Opaque" means impenetrable to sight.
- 566 ~~[(81)]~~ (82) "Package agency" means a retail liquor location operated:
- 567 (a) under an agreement with the department; and
- 568 (b) by a person:
- 569 (i) other than the state; and
- 570 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package
- 571 Agency, to sell packaged liquor for consumption off the premises of the package agency.
- 572 ~~[(82)]~~ (83) "Package agent" means a person who holds a package agency.
- 573 ~~[(83)]~~ (84) "Patron" means an individual to whom food, beverages, or services are sold,
- 574 offered for sale, or furnished, or who consumes an alcoholic product including:
- 575 (a) a customer;
- 576 (b) a member;
- 577 (c) a guest;
- 578 (d) an attendee of a banquet or event;
- 579 (e) an individual who receives room service;
- 580 (f) a resident of a resort; or
- 581 ~~[(g) a public customer under a resort spa sublicense, as defined in Section [32B-8-102](#);~~
- 582 ~~or]~~
- 583 ~~[(h) an invitee.]~~
- 584 (g) a hospitality guest, as defined in Section [32B-6-1002](#), under a hospitality amenity
- 585 license.
- 586 ~~[(84)]~~ (85) (a) "Performing arts facility" means a multi-use performance space that:
- 587 (i) is primarily used to present various types of performing arts, including dance,
- 588 music, and theater;
- 589 (ii) contains over 2,500 seats;

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

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

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

594 ~~[(85)]~~ (86) "Permittee" means a person issued a permit under:

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

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

597 ~~[(86)]~~ (87) "Person subject to administrative action" means:

598 (a) a licensee;

599 (b) a permittee;

600 (c) a manufacturer;

601 (d) a supplier;

602 (e) an importer;

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

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

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

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

607 (g) staff of:

608 (i) a person listed in Subsections ~~[(86)]~~ (87)(a) through (f); or

609 (ii) a package agent.

610 ~~[(87)]~~ (88) "Premises" means a building, enclosure, or room used in connection with  
611 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic  
612 product, unless otherwise defined in this title or rules made by the commission.

613 ~~[(88)]~~ (89) "Prescription" means an order issued by a health care practitioner when:

614 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,  
615 to prescribe a controlled substance, other drug, or device for medicinal purposes;

616 (b) the order is made in the course of that health care practitioner's professional  
617 practice; and

618 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.

619 (90) (a) "Primary spirituous liquor" means the main distilled spirit in a beverage.

620 (b) "Primary spirituous liquor" does not include a secondary flavoring ingredient.

621 (91) "Principal license" means:

622 (a) a resort license;

623 (b) a hotel license; or

624 (c) an arena license.

625 [~~89~~] (92) (a) "Private event" means a specific social, business, or recreational event:

626 (i) for which an entire room, area, or hall is leased or rented in advance by an identified  
627 group; and

628 (ii) that is limited in attendance to people who are specifically designated and their  
629 guests.

630 (b) "Private event" does not include an event to which the general public is invited,  
631 whether for an admission fee or not.

632 (93) "Privately sponsored event" means a specific social, business, or recreational  
633 event:

634 (a) that is held in or on the premises of an on-premise banquet licensee; and

635 (b) to which entry is restricted by an admission fee.

636 [~~90~~] (94) (a) "Proof of age" means:

637 (i) an identification card;

638 (ii) an identification that:

639 (A) is substantially similar to an identification card;

640 (B) is issued in accordance with the laws of a state other than Utah in which the  
641 identification is issued;

642 (C) includes date of birth; and

643 (D) has a picture affixed;

644 (iii) a valid driver license certificate that:

645 (A) includes date of birth;

- 646 (B) has a picture affixed; and
- 647 (C) is issued:
  - 648 (I) under Title 53, Chapter 3, Uniform Driver License Act; or
  - 649 (II) in accordance with the laws of the state in which it is issued;
- 650 (iv) a military identification card that:
  - 651 (A) includes date of birth; and
  - 652 (B) has a picture affixed; or
  - 653 (v) a valid passport.
- 654 (b) "Proof of age" does not include a driving privilege card issued in accordance with
- 655 Section [53-3-207](#).
- 656 (95) "Provisions applicable to a sublicense" means:
  - 657 (a) for a full-service restaurant sublicense, the provisions applicable to a full-service
  - 658 restaurant license under Chapter 6, Part 2, Full-Service Restaurant License;
  - 659 (b) for a limited-service restaurant sublicense, the provisions applicable to a
  - 660 limited-service restaurant license under Chapter 6, Part 3, Limited-Service Restaurant License;
  - 661 (c) for a bar establishment sublicense, the provisions applicable to a bar establishment
  - 662 license under Chapter 6, Part 4, Bar Establishment License;
  - 663 (d) for an on-premise banquet sublicense, the provisions applicable to an on-premise
  - 664 banquet license under Chapter 6, Part 6, On-Premise Banquet License;
  - 665 (e) for an on-premise beer retailer sublicense, the provisions applicable to an
  - 666 on-premise beer retailer license under Chapter 6, Part 7, On-Premise Beer Retailer license;
  - 667 (f) for a beer-only restaurant sublicense, the provisions applicable to a beer-only
  - 668 restaurant license under Chapter 6, Part 9, Beer-Only Restaurant License;
  - 669 (g) for a hospitality amenity license, the provisions applicable to a hospitality amenity
  - 670 license under Chapter 6, Part 10, Hospitality Amenity License; and
  - 671 (h) for a resort spa sublicense, the provisions applicable to the sublicense under
  - 672 Chapter 8d, Part 2, Resort Spa Sublicense.
- 673 [~~91~~] (96) (a) "Public building" means a building or permanent structure that is:



- 674 (i) owned or leased by:
- 675 (A) the state; or
- 676 (B) a local government entity; and
- 677 (ii) used for:
- 678 (A) public education;
- 679 (B) transacting public business; or
- 680 (C) regularly conducting government activities.
- 681 (b) "Public building" does not include a building owned by the state or a local
- 682 government entity when the building is used by a person, in whole or in part, for a proprietary
- 683 function.
- 684 [~~(92)~~] (97) "Public conveyance" means a conveyance that the public or a portion of the
- 685 public has access to and a right to use for transportation, including an airline, railroad, bus,
- 686 boat, or other public conveyance.
- 687 [~~(93)~~] (98) "Reception center" means a business that:
- 688 (a) operates facilities that are at least 5,000 square feet; and
- 689 (b) has as its primary purpose the leasing of the facilities described in Subsection [~~(93)~~]
- 690 (98)(a) to a third party for the third party's event.
- 691 [~~(94)~~] (99) "Reception center license" means a license issued in accordance with
- 692 Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.
- 693 [~~(95)~~] (100) (a) "Record" means information that is:
- 694 (i) inscribed on a tangible medium; or
- 695 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.
- 696 (b) "Record" includes:
- 697 (i) a book;
- 698 (ii) a book of account;
- 699 (iii) a paper;
- 700 (iv) a contract;
- 701 (v) an agreement;

702 (vi) a document; or  
703 (vii) a recording in any medium.  
704 ~~[(96)]~~ (101) "Residence" means a person's principal place of abode within Utah.  
705 ~~[(97)]~~ (102) "Resident," in relation to a resort, means the same as that term is defined  
706 in Section [32B-8-102](#).

707 ~~[(98)]~~ (103) "Resort" means the same as that term is defined in Section [32B-8-102](#).

708 ~~[(99)]~~ (104) "Resort facility" is as defined by the commission by rule.

709 (105) "Resort spa sublicense" means a resort license sublicense issued in accordance  
710 with Chapter 8d, Part 2, Resort Spa Sublicense.

711 ~~[(100)]~~ (106) "Resort license" means a license issued in accordance with Chapter 5,  
712 Retail License Act, and Chapter 8, Resort License Act.

713 ~~[(101)]~~ (107) "Responsible alcohol service plan" means a written set of policies and  
714 procedures that outlines measures to prevent employees from:

- 715 (a) over-serving alcoholic beverages to customers;
- 716 (b) serving alcoholic beverages to customers who are actually, apparently, or obviously  
717 intoxicated; and
- 718 (c) serving alcoholic beverages to minors.

719 ~~[(102)]~~ (108) "Restaurant" means a business location:

- 720 (a) at which a variety of foods are prepared;
- 721 (b) at which complete meals are served; and
- 722 (c) that is engaged primarily in serving meals.

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

- 724 (a) a full-service restaurant license;
- 725 (b) a limited-service restaurant license; or
- 726 (c) a beer-only restaurant license.

727 ~~[(103)]~~ (110) "Retail license" means one of the following licenses issued under this  
728 title:

- 729 (a) a full-service restaurant license;

- 730 (b) a master full-service restaurant license;
- 731 (c) a limited-service restaurant license;
- 732 (d) a master limited-service restaurant license;
- 733 (e) a bar establishment license;
- 734 (f) an airport lounge license;
- 735 (g) an on-premise banquet license;
- 736 (h) an on-premise beer license;
- 737 (i) a reception center license;
- 738 (j) a beer-only restaurant license;
- 739 (k) a hospitality amenity license;
- 740 [~~(k)~~] (l) a resort license; [or]
- 741 [~~(l)~~] (m) a hotel license[-]; or
- 742 (n) an arena license.
- 743 [~~(104)~~] (111) "Room service" means furnishing an alcoholic product to a person in a
- 744 guest room of a:
- 745 (a) hotel; or
- 746 (b) resort facility.
- 747 [~~(105)~~] (a) "School" means a building used primarily for the general education of
- 748 minors.]
- 749 (112) (a) "School" means a building in which any part is used for more than three
- 750 hours each weekday during a school year as a public or private:
- 751 (i) elementary school;
- 752 (ii) secondary school; or
- 753 (iii) kindergarten.
- 754 (b) "School" does not include [~~an educational facility.];~~
- 755 (i) a nursery school;
- 756 (ii) a day care center;
- 757 (iii) a trade and technical school;

758 (iv) a preschool; or

759 (v) a home school.

760 (113) "Secondary flavoring ingredient" means any spirituous liquor added to a  
761 beverage for additional flavoring that is different in type, flavor, or brand from the primary  
762 spirituous liquor in the beverage.

763 [~~106~~] (114) "Sell" or "offer for sale" means a transaction, exchange, or barter  
764 whereby, for consideration, an alcoholic product is either directly or indirectly transferred,  
765 solicited, ordered, delivered for value, or by a means or under a pretext is promised or  
766 obtained, whether done by a person as a principal, proprietor, or as staff, unless otherwise  
767 defined in this title or the rules made by the commission.

768 [~~107~~] (115) "Serve" means to place an alcoholic product before an individual.

769 [~~108~~] (116) "Sexually oriented entertainer" means a person who while in a state of  
770 seminudity appears at or performs:

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

772 (b) on the premises of:

773 (i) a bar licensee; or

774 (ii) a tavern;

775 (c) on behalf of or at the request of the licensee described in Subsection [~~108~~]

776 (116)(b);

777 (d) on a contractual or voluntary basis; and

778 (e) whether or not the person is designated as:

779 (i) an employee;

780 (ii) an independent contractor;

781 (iii) an agent of the licensee; or

782 (iv) a different type of classification.

783 (117) "Shared seating area" means the licensed premises of two or more restaurant  
784 licensees that the restaurant licensees share as an area for alcoholic beverage consumption in  
785 accordance with Subsection [32B-5-207\(3\)](#).

786            [~~(109)~~] (118) "Single event permit" means a permit issued in accordance with Chapter  
787 9, Part 3, Single Event Permit.

788            [~~(110)~~] (119) "Small brewer" means a brewer who manufactures less than 60,000  
789 barrels of beer, heavy beer, and flavored malt beverages per year.

790            [~~(111)~~] (120) "Small or unincorporated locality" means:

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

792            (b) a town, as classified under Section [10-2-301](#); or

793            (c) an unincorporated area in a county of the third, fourth, or fifth class, as classified  
794 under Section [17-50-501](#).

795            [~~(112)~~] (121) "Special use permit" means a permit issued in accordance with Chapter  
796 10, Special Use Permit Act.

797            [~~(113)~~] (122) (a) "Spirituous liquor" means liquor that is distilled.

798            (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by  
799 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

800            [~~(114)~~] (123) "Sports center" is as defined by the commission by rule.

801            [~~(115)~~] (124) (a) "Staff" means an individual who engages in activity governed by this  
802 title:

803            (i) on behalf of a business, including a package agent, licensee, permittee, or certificate  
804 holder;

805            (ii) at the request of the business, including a package agent, licensee, permittee, or  
806 certificate holder; or

807            (iii) under the authority of the business, including a package agent, licensee, permittee,  
808 or certificate holder.

809            (b) "Staff" includes:

810            (i) an officer;

811            (ii) a director;

812            (iii) an employee;

813            (iv) personnel management;

814 (v) an agent of the licensee, including a managing agent;

815 (vi) an operator; or

816 (vii) a representative.

817 [~~H6~~] (125) "State of nudity" means:

818 (a) the appearance of:

819 (i) the nipple or areola of a female human breast;

820 (ii) a human genital;

821 (iii) a human pubic area; or

822 (iv) a human anus; or

823 (b) a state of dress that fails to opaquely cover:

824 (i) the nipple or areola of a female human breast;

825 (ii) a human genital;

826 (iii) a human pubic area; or

827 (iv) a human anus.

828 [~~H7~~] (126) "State of seminudity" means a state of dress in which opaque clothing

829 covers no more than:

830 (a) the nipple and areola of the female human breast in a shape and color other than the

831 natural shape and color of the nipple and areola; and

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

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

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

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

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

837 [~~H8~~] (127) (a) "State store" means a facility for the sale of packaged liquor:

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

839 (ii) operated by a state employee.

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

841 (i) a package agency;

842 (ii) a licensee; or

843 (iii) a permittee.

844 [~~(119)~~] (128) (a) "Storage area" means an area on licensed premises where the licensee  
845 stores an alcoholic product.

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

847 [~~(120)~~] (129) "Sublicense" means [~~the same as that term is defined in Section~~  
848 ~~32B-8-102 or 32B-8b-102.~~];

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

851 (i) a full-service restaurant license;

852 (ii) a limited-service restaurant license;

853 (iii) a bar establishment license;

854 (iv) an on-premise banquet license;

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

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

857 (vii) a hospitality amenity license; or

858 (b) a resort spa sublicense.

859 [~~(121)~~] (130) "Supplier" means a person who sells an alcoholic product to the  
860 department.

861 [~~(122)~~] (131) "Tavern" means an on-premise beer retailer who is:

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

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

866 [~~(123)~~] (132) "Temporary beer event permit" means a permit issued in accordance with  
867 Chapter 9, Part 4, Temporary Beer Event Permit.

868 [~~(124)~~] (133) "Temporary domicile" means the principal place of abode within Utah of  
869 a person who does not have a present intention to continue residency within Utah permanently

870 or indefinitely.

871           ~~[(125)]~~ (134) "Translucent" means a substance that allows light to pass through, but  
872 does not allow an object or person to be seen through the substance.

873           ~~[(126)]~~ (135) "Unsaleable liquor merchandise" means a container that:

874           (a) is unsaleable because the container is:

875           (i) unlabeled;

876           (ii) leaky;

877           (iii) damaged;

878           (iv) difficult to open; or

879           (v) partly filled;

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

881           (ii) has contents that are:

882           (A) cloudy;

883           (B) spoiled; or

884           (C) chemically determined to be impure; or

885           (iii) contains:

886           (A) sediment; or

887           (B) a foreign substance; or

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

889           ~~[(127)]~~ (136) (a) "Wine" means an alcoholic product obtained by the fermentation of  
890 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or  
891 not another ingredient is added.

892           (b) "Wine" includes:

893           (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.  
894 4.10; and

895           (ii) hard cider.

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



898            [~~(128)~~] (137) "Winery manufacturing license" means a license issued in accordance  
899 with Chapter 11, Part 3, Winery Manufacturing License.

900            Section 2. Section **32B-1-202** is amended to read:

901            **32B-1-202. Proximity to community location.**

902            (1) As used in this section:

903            (a) (i) "Outlet" means:

904            (A) a state store;

905            (B) a package agency; or

906            (C) a retail licensee.

907            (ii) "Outlet" does not include:

908            (A) an airport lounge licensee; or

909            (B) a restaurant.

910            (b) "Restaurant" means:

911            (i) a full-service restaurant licensee;

912            (ii) a limited-service restaurant licensee; or

913            (iii) a beer-only restaurant licensee.

914            (2) (a) The commission may not issue a license for an outlet if, on the date the  
915 commission takes final action to approve or deny the application, there is a community  
916 location:

917            (i) within 600 feet of the proposed outlet, as measured from the nearest patron entrance  
918 of the proposed outlet by following the shortest route of ordinary pedestrian travel to the  
919 property boundary of the community location; or

920            (ii) within 200 feet of the proposed outlet, measured in a straight line from the nearest  
921 patron entrance of the proposed outlet to the nearest property boundary of the community  
922 location.

923            (b) The commission may not issue a license for a restaurant if, on the date the  
924 commission takes final action to approve or deny the application, there is a community  
925 location:

926 (i) within 300 feet of the proposed restaurant, as measured from the nearest patron  
927 entrance of the proposed restaurant by following the shortest route of ordinary pedestrian travel  
928 to the property boundary of the community location; or

929 (ii) within 200 feet of the proposed restaurant, measured in a straight line from the  
930 nearest patron entrance of the proposed restaurant to the nearest property boundary of the  
931 community location.

932 (3) (a) For an outlet or a restaurant that holds a license on May 9, 2017, and operates  
933 under a previously approved variance to one or more proximity requirements in effect before  
934 May 9, 2017, subject to the other provisions of this title, that outlet or restaurant, or another  
935 outlet or restaurant with the same type of license as that outlet or restaurant, may operate under  
936 the previously approved variance regardless of whether:

937 (i) the outlet or restaurant changes ownership;

938 (ii) the property on which the outlet or restaurant is located changes ownership; or

939 (iii) there is a lapse in the use of the property as an outlet or a restaurant with the same  
940 type of license, unless during the lapse, the property is used for a different purpose.

941 (b) An outlet or a restaurant that has continuously operated at a location since before  
942 January 1, 2007, is considered to have a previously approved variance.

943 (4) An outlet or restaurant that holds a license on May 12, 2020, and operates in  
944 accordance with the proximity requirements in effect at the time the commission issued the  
945 license or operates under a previously approved variance described in Subsection (3), subject to  
946 the other provisions of this title, that outlet or restaurant or an outlet or a restaurant with the  
947 same type of license as that outlet or restaurant may operate at the premises regardless of  
948 whether:

949 (a) the outlet or restaurant changes ownership;

950 (b) the property on which the outlet or restaurant is located changes ownership; or

951 (c) there is a lapse of one year or less in the use of the property as an outlet or a  
952 restaurant with the same type of license, unless during the lapse the property is used for a  
953 different purpose.

954           ~~[(4)]~~ (5) (a) If, after an outlet or a restaurant obtains a license under this title, a person  
955 establishes a community location on a property that puts the outlet or restaurant in violation of  
956 the proximity requirements in effect at the time the license is issued or a previously approved  
957 variance described in Subsection (3), subject to the other provisions of this title, that outlet or  
958 restaurant, or an outlet or a restaurant with the same type of license as that outlet or restaurant,  
959 may operate at the premises regardless of whether:

960           (i) the outlet or restaurant changes ownership;  
961           (ii) the property on which the outlet or restaurant is located changes ownership; or  
962           (iii) there is a lapse in the use of the property as an outlet or a restaurant with the same  
963 type of license, unless during the lapse the property is used for a different purpose.

964           (b) The provisions of this Subsection ~~[(4)]~~ (5) apply regardless of when the outlet's or  
965 restaurant's license is issued.

966           ~~[(5)]~~ (6) Nothing in this section prevents the commission from considering the  
967 proximity of an educational, religious, and recreational facility, or any other relevant factor in  
968 reaching a decision on a proposed location of an outlet.

969           Section 3. Section **32B-1-206** is amended to read:

970           **32B-1-206. Advertising prohibited -- Exceptions.**

971           (1) (a) The department may not advertise liquor, except:

972           (i) the department may provide for an appropriate sign in the window or on the front of  
973 a state store or package agency denoting that it is a state authorized liquor retail facility;

974           (ii) the department or a package agency may provide a printed price list to the public;

975           (iii) the department may authorize the use of price posting and floor stacking of liquor  
976 within a state store;

977           (iv) subject to Subsection (1)(b), the department may provide a listing of the address  
978 and telephone number of a state store in one or more printed or electronic directories available  
979 to the general public; and

980           (v) subject to Subsection (1)(b), a package agency may provide a listing of its address  
981 and telephone number in one or more printed or electronic directories available to the general

982 public.

983 (b) A listing under Subsection (1)(a)(iv) or (v) in the business or yellow pages of a  
984 telephone directory may not be displayed in an advertisement or other promotional format.

985 (2) (a) The department may not advertise an alcoholic product on a billboard.

986 (b) A package agency may not advertise an alcoholic product on a billboard, except to  
987 the extent allowed by the commission by rule.

988 (3) (a) The department may not display liquor or a price list in a window or showcase  
989 visible to passersby.

990 (b) A package agency may not display liquor or a price list in a window or showcase  
991 visible to passersby, except to the extent allowed by the commission by rule.

992 (4) Advertising of an alcoholic product may not:

993 (a) promote the intoxicating effects of alcohol; or

994 (b) emphasize the high alcohol content of the alcoholic product.

995 [~~4~~] (5) Except to the extent prohibited by this title, the advertising of an alcoholic  
996 product is allowed under guidelines established by the commission by rule.

997 [~~5~~] (6) The advertising or use of any means or media to offer an alcoholic product to  
998 the general public without charge is prohibited.

999 Section 4. Section **32B-1-208** is enacted to read:

1000 **32B-1-208. Percentage lease agreements.**

1001 (1) As used in this section:

1002 (a) "Percentage lease agreement" means a lease agreement in which the lessee:

1003 (i) is a retail licensee; and

1004 (ii) pays the lessor:

1005 (A) a base rent; and

1006 (B) percentage rent.

1007 (b) "Percentage rent" means a percentage:

1008 (i) agreed upon between a lessor and lessee; and

1009 (ii) of the total sales revenue that:

1010           (A) exceed a fixed dollar amount of sales revenue; and  
1011           (B) the lessee earns while doing business on the rental premises.  
1012           (2) (a) The parties to a percentage lease agreement shall submit a copy of the  
1013 percentage lease agreement to the department.  
1014           (b) If there is a material change to the percentage lease agreement submitted to the  
1015 department under Subsection (2)(a), the parties to the percentage lease agreement shall  
1016 promptly submit a copy of the changed percentage lease agreement to the department.  
1017           (3) If a percentage lease agreement requires a retail licensee to pay the lessor a  
1018 percentage rent of 6% or less, the department may not conduct any further investigation into  
1019 the percentage lease agreement.  
1020           (4) The commission shall make rules in accordance with Title 63G, Chapter 3, Utah  
1021 Administrative Rulemaking Act, establishing:  
1022           (a) the maximum percentage of revenue from alcohol sales a percentage lease  
1023 agreement may require; and  
1024           (b) the procedure for submitting a percentage lease agreement under Subsection (2).  
1025           Section 5. Section **32B-1-304** is amended to read:  
1026           **32B-1-304. Qualifications for a package agency, license, or permit -- Minors.**  
1027           (1) (a) [~~The~~] Except as provided in Subsection (7), the commission may not issue a  
1028 package agency, license, or permit to a person who has been convicted of:  
1029           (i) within seven years before the day on which the commission issues the package  
1030 agency, license, or permit, a felony under a federal law or state law;  
1031           (ii) within four years before the day on which the commission issues the package  
1032 agency, license, or permit:  
1033           (A) a violation of a federal law, state law, or local ordinance concerning the sale, offer  
1034 for sale, warehousing, manufacture, distribution, transportation, or adulteration of an alcoholic  
1035 product; or  
1036           (B) a crime involving moral turpitude; or  
1037           (iii) on two or more occasions within the five years before the day on which the

1038 package agency, license, or permit is issued, driving under the influence of alcohol, drugs, or  
1039 the combined influence of alcohol and drugs.

1040 (b) If the person is a partnership, corporation, or limited liability company, the  
1041 proscription under Subsection (1)(a) applies if any of the following has been convicted of an  
1042 offense described in Subsection (1)(a):

1043 (i) a partner;

1044 (ii) a managing agent;

1045 (iii) a manager;

1046 (iv) an officer;

1047 (v) a director;

1048 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of  
1049 the corporation; or

1050 (vii) a member who owns at least 20% of the limited liability company.

1051 (c) ~~[The]~~ Except as provided in Subsection (7), the proscription under Subsection  
1052 (1)(a) applies if a person who is employed to act in a supervisory or managerial capacity for a  
1053 package agency, licensee, or permittee has been convicted of an offense described in  
1054 Subsection (1)(a).

1055 (2) ~~[The]~~ Except as described in Section [32B-8-501](#), the commission may immediately  
1056 suspend or revoke a package agency, license, or permit, and terminate a package agency  
1057 agreement, if a person described in Subsection (1):

1058 (a) after the day on which the package agency, license, or permit is issued, is found to  
1059 have been convicted of an offense described in Subsection (1)(a) before the package agency,  
1060 license, or permit is issued; or

1061 (b) on or after the day on which the package agency, license, or permit is issued:

1062 (i) is convicted of an offense described in Subsection (1)(a)(i) or (ii); or

1063 (ii) (A) is convicted of driving under the influence of alcohol, drugs, or the combined  
1064 influence of alcohol and drugs; and

1065 (B) was convicted of driving under the influence of alcohol, drugs, or the combined

1066 influence of alcohol and drugs within five years before the day on which the person is  
1067 convicted of the offense described in Subsection (2)(b)(ii)(A).

1068 (3) [~~The~~] Except as described in Section 32B-8-501, the director may take emergency  
1069 action by immediately suspending the operation of the package agency, licensee, or permittee  
1070 for the period during which a criminal matter is being adjudicated if a person described in  
1071 Subsection (1):

1072 (a) is arrested on a charge for an offense described in Subsection (1)(a)(i) or (ii); or

1073 (b) (i) is arrested on a charge for the offense of driving under the influence of alcohol,  
1074 drugs, or the combined influence of alcohol and drugs; and

1075 (ii) was convicted of driving under the influence of alcohol, drugs, or the combined  
1076 influence of alcohol and drugs within five years before the day on which the person is arrested  
1077 on a charge described in Subsection (3)(b)(i).

1078 (4) (a) (i) The commission may not issue a package agency, license, or permit to a  
1079 person who has had any type of agency, license, or permit issued under this title revoked within  
1080 the last three years.

1081 (ii) The commission may not issue a package agency, license, or permit to a  
1082 partnership, corporation, or limited liability company if a partner, managing agent, manager,  
1083 officer, director, stockholder who holds at least 20% of the total issued and outstanding stock  
1084 of the corporation, or member who owns at least 20% of the limited liability company is or  
1085 was:

1086 (A) a partner or managing agent of a partnership that had any type of agency, license,  
1087 or permit issued under this title revoked within the last three years;

1088 (B) a managing agent, officer, director, or stockholder who holds or held at least 20%  
1089 of the total issued and outstanding stock of any corporation that had any type of agency,  
1090 license, or permit issued under this title revoked within the last three years; or

1091 (C) a manager or member who owns or owned at least 20% of a limited liability  
1092 company that had any type of agency, license, or permit issued under this title revoked within  
1093 the last three years.

1094 (b) The commission may not issue a package agency, licence, or permit to a  
1095 partnership, corporation, or limited liability company if any of the following had any type of  
1096 agency, license, or permit issued under this title revoked while acting in that person's individual  
1097 capacity within the last three years:

1098 (i) a partner or managing agent of a partnership;

1099 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the  
1100 total issued and outstanding stock of a corporation; or

1101 (iii) a manager or member who owns at least 20% of a limited liability company.

1102 (c) The commission may not issue a package agency, license, or permit to a person  
1103 acting in an individual capacity if that person was:

1104 (i) a partner or managing agent of a partnership that had any type of agency, license, or  
1105 permit issued under this title revoked within the last three years;

1106 (ii) a managing agent, officer, director, or stockholder who held at least 20% of the  
1107 total issued and outstanding stock of a corporation that had any type of agency, license, or  
1108 permit issued under this title revoked within the last three years; or

1109 (iii) a manager or member who owned at least 20% of the limited liability company  
1110 that had any type of agency, license, or permit issued under this title revoked within the last  
1111 three years.

1112 (5) (a) The commission may not issue a package agency, license, or permit to a minor.

1113 (b) The commission may not issue a package agency, license, or permit to a  
1114 partnership, corporation, or limited liability company if any of the following is a minor:

1115 (i) a partner or managing agent of the partnership;

1116 (ii) a managing agent, officer, director, or stockholder who holds at least 20% of the  
1117 total issued and outstanding stock of the corporation; or

1118 (iii) a manager or member who owns at least 20% of the limited liability company.

1119 (6) [H] Except as described in Section 32B-8-501, if a package agent, licensee, or  
1120 permittee no longer possesses the qualifications required by this title for obtaining a package  
1121 agency, license, or permit, the commission may terminate the package agency agreement, or



1122 revoke the license or permit.

1123 (7) If the licensee is a resort licensee:

1124 (a) Subsection (1)(a) only applies if an individual listed in Subsection (1)(b) engages in  
1125 the management of the resort, as the commission defines in rule; and

1126 (b) Subsection (1)(c) only applies to an individual employed to act in a supervisory or  
1127 managerial capacity for the resort licensee or in relation to a sublicense of the resort license.

1128 Section 6. Section **32B-1-305** is amended to read:

1129 **32B-1-305. Requirement for a background check.**

1130 (1) The department shall require an individual listed in Subsection (2), in accordance  
1131 with this part, to:

1132 (a) provide a signed waiver from the individual whose fingerprints may be registered in  
1133 the Federal Bureau of Investigation Rap Back system that notifies the signee:

1134 (i) that a criminal history background check will be conducted;

1135 (ii) who will see the information; and

1136 (iii) how the information will be used;

1137 (b) submit to a background check in a form acceptable to the department; and

1138 (c) consent to a background check by:

1139 (i) the Utah Bureau of Criminal Identification; and

1140 (ii) the Federal Bureau of Investigation.

1141 (2) The following shall comply with Subsection (1):

1142 (a) an individual applying for employment with the department if:

1143 (i) the department makes the decision to offer the individual employment with the  
1144 department; and

1145 (ii) once employed, the individual will receive benefits;

1146 (b) an individual applying to the commission to operate a package agency;

1147 (c) an individual applying to the commission for a license, unless the license is an  
1148 off-premise beer retailer state license;

1149 (d) an individual who with regard to an entity that is applying to the commission to

1150 operate a package agency or for a license is:

1151 (i) a partner;

1152 (ii) a managing agent;

1153 (iii) a manager;

1154 (iv) an officer;

1155 (v) a director;

1156 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of a

1157 corporation;

1158 (vii) a member who owns at least 20% of a limited liability company; or

1159 (viii) an individual employed to act in a supervisory or managerial capacity; or

1160 (e) an individual who becomes involved with an entity that operates a package agency

1161 or holds a license, if the individual is in a capacity listed in Subsection (2)(d) on or after the day

1162 on which the entity:

1163 (i) is approved to operate a package agency; or

1164 (ii) is licensed by the commission.

1165 (3) (a) Except as provided in Subsection (3)(b), the commission may not require an

1166 individual to comply with Subsection (1) based on the individual's position with or ownership

1167 interest in an entity that has an ownership interest in the entity that is applying for the package

1168 agency or license.

1169 (b) The commission may require an individual described in Subsection (3)(a) to

1170 comply with Subsection (1) if the individual exercises direct decision making control over the

1171 day-to-day operations of the package agency or licensee.

1172 (4) The department shall require compliance with Subsection (2)(e) as a condition of

1173 an entity's:

1174 (a) continued operation of a package agency; or

1175 (b) renewal of a license.

1176 (5) The department may require as a condition of continued employment that a

1177 department employee:

1178 (a) submit to a background check in a form acceptable to the department; and

1179 (b) consent to a fingerprint criminal background check by:

1180 (i) the Utah Bureau of Criminal Identification; and

1181 (ii) the Federal Bureau of Investigation.

1182 Section 7. Section **32B-1-607** is amended to read:

1183 **32B-1-607. Rulemaking authority.**

1184 (1) The commission may adopt rules necessary to implement this part.

1185 (2) Notwithstanding Subsections **32B-1-102**~~[(10)]~~(12) and ~~[(49)]~~ (50), in accordance  
1186 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make  
1187 rules that allow for a tolerance in the alcohol content of beer or heavy beer as follows:

1188 (a) up to 0.18% above or below when measured by volume; or

1189 (b) up to 0.15% above or below when measured by weight.

1190 Section 8. Section **32B-2-202** is amended to read:

1191 **32B-2-202. Powers and duties of the commission.**

1192 (1) The commission shall:

1193 (a) consistent with the policy established by the Legislature by statute, act as a general  
1194 policymaking body on the subject of alcoholic product control;

1195 (b) adopt and issue policies, rules, and procedures;

1196 (c) set policy by written rules that establish criteria and procedures for:

1197 (i) issuing, denying, not renewing, suspending, or revoking a package agency, license,  
1198 permit, or certificate of approval; and

1199 (ii) determining the location of a state store, package agency, or retail licensee;

1200 (d) decide within the limits, and under the conditions imposed by this title, the number  
1201 and location of state stores, package agencies, and retail licensees in the state;

1202 (e) issue, deny, suspend, revoke, or not renew the following package agencies, licenses,  
1203 sublicenses, permits, or certificates of approval for the purchase, storage, sale, offer for sale,  
1204 furnishing, consumption, manufacture, and distribution of an alcoholic product:

1205 (i) a package agency;

- 1206 (ii) a full-service restaurant license;
- 1207 (iii) a master full-service restaurant license;
- 1208 (iv) a limited-service restaurant license;
- 1209 (v) a master limited-service restaurant license;
- 1210 (vi) a bar establishment license;
- 1211 (vii) an airport lounge license;
- 1212 (viii) an on-premise banquet license;
- 1213 (ix) a resort license, [~~under which at least~~] which includes four or more sublicenses
- 1214 [~~may be included~~];
- 1215 (x) an on-premise beer retailer license;
- 1216 (xi) a reception center license;
- 1217 (xii) a beer-only restaurant license;
- 1218 (xiii) a hotel license, [~~under which at least~~] which includes three or more sublicenses
- 1219 [~~may be included~~];
- 1220 (xiv) an arena license, which includes three or more sublicenses;
- 1221 (xv) a hospitality amenity license;
- 1222 [~~(xiv)~~] (xvi) subject to Subsection (4), a single event permit;
- 1223 [~~(xv)~~] (xvii) subject to Subsection (4), a temporary beer event permit;
- 1224 [~~(xvi)~~] (xviii) a special use permit;
- 1225 [~~(xvii)~~] (xix) a manufacturing license;
- 1226 [~~(xviii)~~] (xx) a liquor warehousing license;
- 1227 [~~(xix)~~] (xxi) a beer wholesaling license;
- 1228 [~~(xx)~~] (xxii) a liquor transport license;
- 1229 [~~(xxi)~~] (xxiii) an off-premise beer retailer state license;
- 1230 [~~(xxii)~~] (xxiv) a master off-premise beer retailer state license; [~~and~~]
- 1231 [~~(xxiii)~~] (xxv) one of the following that holds a certificate of approval:
- 1232 (A) an out-of-state brewer;
- 1233 (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and

- 1234 (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; and  
1235 (xxvi) a resort spa sublicense;
- 1236 (f) issue, deny, suspend, or revoke the following conditional licenses:  
1237 (i) a conditional retail license as defined in Section 32B-5-205; and  
1238 (ii) a conditional off-premise beer retailer state license as defined in Section  
1239 32B-7-406;
- 1240 (g) prescribe the duties of the department in assisting the commission in issuing a  
1241 package agency, license, permit, or certificate of approval under this title;
- 1242 (h) to the extent a fee is not specified in this title, establish a fee allowed under this title  
1243 in accordance with Section 63J-1-504;
- 1244 (i) fix prices at which liquor is sold that are the same at all state stores, package  
1245 agencies, and retail licensees;
- 1246 (j) issue and distribute price lists showing the price to be paid by a purchaser for each  
1247 class, variety, or brand of liquor kept for sale by the department;
- 1248 (k) (i) require the director to follow sound management principles; and  
1249 (ii) require periodic reporting from the director to ensure that:  
1250 (A) sound management principles are being followed; and  
1251 (B) policies established by the commission are being observed;
- 1252 (l) (i) receive, consider, and act in a timely manner upon the reports, recommendations,  
1253 and matters submitted by the director to the commission; and  
1254 (ii) do the things necessary to support the department in properly performing the  
1255 department's duties;
- 1256 (m) obtain temporarily and for special purposes the services of an expert or person  
1257 engaged in the practice of a profession, or a person who possesses a needed skill if:  
1258 (i) considered expedient; and  
1259 (ii) approved by the governor;
- 1260 (n) prescribe by rule the conduct, management, and equipment of premises upon which  
1261 an alcoholic product may be stored, sold, offered for sale, furnished, or consumed;

1262 (o) make rules governing the credit terms of beer sales within the state to retail  
1263 licensees; and

1264 (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take  
1265 disciplinary action against a person subject to administrative action.

1266 (2) Consistent with the policy established by the Legislature by statute, the power of  
1267 the commission to do the following is plenary, except as otherwise provided by this title, and  
1268 not subject to review:

1269 (a) establish a state store;

1270 (b) issue authority to act as a package agent or operate a package agency; and

1271 (c) issue [~~or~~], deny, or deem forfeit a license, permit, or certificate of approval.

1272 (3) If the commission is authorized or required to make a rule under this title, the  
1273 commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative  
1274 Rulemaking Act.

1275 (4) Notwithstanding Subsections [~~(1)(e)(xiv) and (xv)] (1)(e)(xvi) and (xvii), the  
1276 director or deputy director may issue an event permit in accordance with Chapter 9, Event  
1277 Permit Act.~~

1278 Section 9. Section **32B-2-605** is amended to read:

1279 **32B-2-605. Operational requirements for package agency.**

1280 (1) (a) A person may not operate a package agency until a package agency agreement is  
1281 entered into by the package agent and the department.

1282 (b) A package agency agreement shall state the conditions of operation by which the  
1283 package agent and the department are bound.

1284 (c) (i) If a package agent or staff of the package agent violates this title, rules under this  
1285 title, or the package agency agreement, the department may take any action against the package  
1286 agent that is allowed by the package agency agreement.

1287 (ii) An action against a package agent is governed solely by its package agency  
1288 agreement and may include suspension or revocation of the package agency.

1289 (iii) A package agency agreement shall provide procedures to be followed if a package

1290 agent fails to pay money owed to the department including a procedure for replacing the  
1291 package agent or operator of the package agency.

1292 (iv) A package agency agreement shall provide that the package agency is subject to  
1293 covert investigations for selling an alcoholic product to a minor.

1294 (v) Notwithstanding that this part refers to "package agency" or "package agent," staff  
1295 of the package agency or package agent is subject to the same requirement or prohibition.

1296 (2) (a) A package agency shall be operated by an individual who is either:

1297 (i) the package agent; or

1298 (ii) an individual designated by the package agent.

1299 (b) An individual who is a designee under this Subsection (2) shall be:

1300 (i) an employee of the package agent; and

1301 (ii) responsible for the operation of the package agency.

1302 (c) The conduct of the designee is attributable to the package agent.

1303 (d) A package agent shall submit the name of the person operating the package agency  
1304 to the department for the department's approval.

1305 (e) A package agent shall state the name and title of a designee on the application for a  
1306 package agency.

1307 (f) A package agent shall:

1308 (i) inform the department of a proposed change in the individual designated to operate  
1309 a package agency; and

1310 (ii) receive prior approval from the department before implementing the change  
1311 described in this Subsection (2)(f).

1312 (g) Failure to comply with the requirements of this Subsection (2) may result in the  
1313 immediate termination of a package agency agreement.

1314 (3) (a) A package agent shall display in a prominent place in the package agency the  
1315 record issued by the commission that designates the package agency.

1316 (b) A package agent that displays or stores liquor at a location visible to the public  
1317 shall display in a prominent place in the package agency a sign in large letters that consists of

1318 text in the following order:

1319 (i) a header that reads: "WARNING";

1320 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy  
1321 can cause birth defects and permanent brain damage for the child.";

1322 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at  
1323 [insert most current toll-free number] with questions or for more information.";

1324 (iv) a header that reads: "WARNING"; and

1325 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a  
1326 serious crime that is prosecuted aggressively in Utah."

1327 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different  
1328 font style than the text described in Subsections (3)(b)(iv) and (v).

1329 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the  
1330 same font size.

1331 (d) The Department of Health shall work with the commission and department to  
1332 facilitate consistency in the format of a sign required under this section.

1333 (4) A package agency may not display liquor or a price list in a window or showcase  
1334 that is visible to passersby.

1335 (5) (a) A package agency may not purchase liquor from a person except from the  
1336 department.

1337 (b) At the discretion of the department, the department may provide liquor [~~may be~~  
1338 ~~provided by the department~~] to a package agency for sale on consignment.

1339 (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place  
1340 other than as designated in the package agent's application, unless the package agent first  
1341 applies for and receives approval from the department for a change of location within the  
1342 package agency premises.

1343 (7) (a) [~~A~~] Except as provided in Subsection (7)(b), a package agency may not sell,  
1344 offer for sale, or furnish liquor except at a price fixed by the commission.

1345 (b) A package agency may provide as room service one alcoholic product free of



- 1346 charge per guest reservation, per guest room, if:
- 1347 (i) the package agency is the type of package agency that authorizes the package
- 1348 agency to sell, offer for sale, or furnish an alcoholic product as part of room service;
- 1349 (ii) staff of the package agency provides the alcoholic product:
- 1350 (A) in person; and
- 1351 (B) only to an adult guest in the guest room;
- 1352 (iii) staff of the package agency does not leave the alcoholic product outside a guest
- 1353 room for retrieval by a guest; and
- 1354 (iv) the alcoholic product:
- 1355 (A) is not a spirituous liquor; and
- 1356 (B) is in an unopened container not to exceed 750 milliliters.
- 1357 (8) A package agency may not sell, offer for sale, or furnish liquor to:
- 1358 (a) a minor;
- 1359 (b) a person actually, apparently, or obviously intoxicated;
- 1360 (c) a known interdicted person; or
- 1361 (d) a known habitual drunkard.
- 1362 (9) (a) A package agency may not employ a minor to handle liquor.
- 1363 (b) (i) Staff of a package agency may not:
- 1364 (A) consume an alcoholic product on the premises of a package agency; or
- 1365 (B) allow any person to consume an alcoholic product on the premises of a package
- 1366 agency.
- 1367 (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.
- 1368 (10) (a) A package agency may not close or cease operation for a period longer than 72
- 1369 hours, unless:
- 1370 (i) the package agency notifies the department in writing at least seven days before the
- 1371 ~~closing~~ day on which the package agency closes or ceases operation; and
- 1372 (ii) the closure or cessation of operation is first approved by the department.
- 1373 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package

1374 agency shall immediately notify the department by telephone.

1375 (c) (i) The department may authorize a closure or cessation of operation for a period  
1376 not to exceed 60 days.

1377 (ii) The department may extend the initial period described in Subsection (10)(c)(i) an  
1378 additional 30 days upon written request of the package agency and upon a showing of good  
1379 cause.

1380 (iii) A closure or cessation of operation may not exceed a total of 90 days without  
1381 commission approval.

1382 (d) The notice required by Subsection (10)(a) shall include:

1383 (i) the dates of closure or cessation of operation;

1384 (ii) the reason for the closure or cessation of operation; and

1385 (iii) the date on which the package agency will reopen or resume operation.

1386 (e) Failure of a package agency to provide notice and to obtain department  
1387 authorization before closure or cessation of operation results in an automatic termination of the  
1388 package agency agreement effective immediately.

1389 (f) Failure of a package agency to reopen or resume operation by the approved date  
1390 results in an automatic termination of the package agency agreement effective on that date.

1391 (11) A package agency may not transfer [its] the package agency's operations from one  
1392 location to another location without prior written approval of the commission.

1393 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,  
1394 exchange, barter, give, or attempt in any way to dispose of the package agency to another  
1395 person, whether for monetary gain or not.

1396 (b) A package agency has no monetary value for any type of disposition.

1397 (13) (a) Subject to the other provisions of this Subsection (13):

1398 (i) sale or delivery of liquor may not be made on or from the premises of a package  
1399 agency, and a package agency may not be kept open for the sale of liquor:

1400 (A) on Sunday; or

1401 (B) on a state or federal legal holiday.

1402           (ii) Sale or delivery of liquor may be made on or from the premises of a package  
1403 agency, and a package agency may be open for the sale of liquor, only on a day and during  
1404 hours that the commission directs by rule or order.

1405           (b) A package agency located at a manufacturing facility is not subject to Subsection  
1406 (13)(a) if:

1407           (i) the package agency is located at a manufacturing facility licensed in accordance  
1408 with Chapter 11, Manufacturing and Related Licenses Act;

1409           (ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing  
1410 and Related Licenses Act, holds:

1411           (A) a full-service restaurant license;

1412           (B) a limited-service restaurant license;

1413           (C) a beer-only restaurant license;

1414           (D) a dining club license; or

1415           (E) a bar license;

1416           (iii) the restaurant, dining club, or bar is located at the manufacturing facility;

1417           (iv) the restaurant, dining club, or bar sells an alcoholic product produced at the  
1418 manufacturing facility;

1419           (v) the manufacturing facility:

1420           (A) owns the restaurant, dining club, or bar; or

1421           (B) operates the restaurant, dining club, or bar;

1422           (vi) the package agency only sells an alcoholic product produced at the manufacturing  
1423 facility; and

1424           (vii) the package agency's days and hours of sale are the same as the days and hours of  
1425 sale at the restaurant, dining club, or bar.

1426           (c) (i) Subsection (13)(a) does not apply to a package agency held by the following if  
1427 the package agent that holds the package agency to sell liquor at a resort or hotel does not sell  
1428 liquor in a manner similar to a state store:

1429           (A) a resort licensee; or

1430 (B) a hotel licensee.

1431 (ii) The commission may by rule define what constitutes a package agency that sells  
1432 liquor "in a manner similar to a state store."

1433 (14) (a) Except to the extent authorized by commission rule, a minor may not be  
1434 admitted into, or be on the premises of, a package agency unless accompanied by a person who  
1435 is:

1436 (i) 21 years of age or older; and

1437 (ii) the minor's parent, legal guardian, or spouse.

1438 (b) A package agent or staff of a package agency that has reason to believe that a  
1439 person who is on the premises of a package agency is under the age of 21 and is not  
1440 accompanied by a person described in Subsection (14)(a) may:

1441 (i) ask the suspected minor for proof of age;

1442 (ii) ask the person who accompanies the suspected minor for proof of age; and

1443 (iii) ask the suspected minor or the person who accompanies the suspected minor for  
1444 proof of parental, guardianship, or spousal relationship.

1445 (c) A package agent or staff of a package agency shall refuse to sell liquor to the  
1446 suspected minor and to the person who accompanies the suspected minor into the package  
1447 agency if the minor or person fails to provide any information specified in Subsection (14)(b).

1448 (d) A package agent or staff of a package agency shall require the suspected minor and  
1449 the person who accompanies the suspected minor into the package agency to immediately leave  
1450 the premises of the package agency if the minor or person fails to provide information specified  
1451 in Subsection (14)(b).

1452 (15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed  
1453 container.

1454 (b) A person may not open a sealed container on the premises of a package agency.

1455 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or  
1456 furnish liquor in other than a sealed container:

1457 (i) if the package agency is the type of package agency that authorizes the package

1458 agency to sell, offer for sale, or furnish the liquor as part of room service;

1459 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and

1460 (iii) subject to:

1461 (A) staff of the package agency providing the liquor in person only to an adult guest in  
1462 the guest room;

1463 (B) staff of the package agency not leaving the liquor outside a guest room for retrieval  
1464 by a guest; and

1465 (C) the same limits on the portions in which an alcoholic product may be sold by a  
1466 retail licensee under Section [32B-5-304](#).

1467 (16) On or after October 1, 2011, a package agency may not sell, offer for sale, or  
1468 furnish heavy beer in a sealed container that exceeds two liters.

1469 (17) The department may pay or otherwise remunerate a package agent on any basis,  
1470 including sales or volume of business done by the package agency.

1471 (18) The commission may prescribe by policy or rule general operational requirements  
1472 of a package agency that are consistent with this title and relate to:

1473 (a) physical facilities;

1474 (b) conditions of operation;

1475 (c) hours of operation;

1476 (d) inventory levels;

1477 (e) payment schedules;

1478 (f) methods of payment;

1479 (g) premises security; and

1480 (h) any other matter considered appropriate by the commission.

1481 (19) A package agency may not maintain a minibar.

1482 Section 10. Section **32B-3-202** is amended to read:

1483 **32B-3-202. Timing of reporting violations.**

1484 [~~Except when the person subject to administrative action is staff:~~]

1485 [~~(1) A disciplinary proceeding may not be initiated or maintained by the commission or~~]

1486 ~~department on the basis, in whole or in part, of a violation of this title unless a person subject to~~  
1487 ~~administrative action against whom the violation is alleged is notified by the department of the~~  
1488 ~~violation in accordance with this section.]~~

1489 ~~[(2) (a) A nondepartment enforcement agency or nondepartment enforcement officer~~  
1490 ~~may not report a violation of this title to the department more than eight business days after the~~  
1491 ~~day on which a nondepartment enforcement officer or agency completes an investigation that~~  
1492 ~~finds a violation of this title.]~~

1493 ~~[(b) If the commission or department wants the right to initiate or maintain a~~  
1494 ~~disciplinary proceeding on the basis, in whole or in part, of a violation of this title alleged in a~~  
1495 ~~report described in Subsection (2)(a), the department shall notify a person subject to~~  
1496 ~~administrative action who is alleged by the report to have violated this title:]~~

1497 ~~[(i) by no later than eight business days of the day on which the department receives~~  
1498 ~~the report described in Subsection (2)(a); and]~~

1499 ~~[(ii) that the commission or department may initiate or maintain a disciplinary~~  
1500 ~~proceeding on the basis, in whole or in part, of the violation.]~~

1501 ~~[(3) If the commission or department wants the right to initiate or maintain a~~  
1502 ~~disciplinary proceeding on the basis, in whole or in part, of a violation of this title alleged by a~~  
1503 ~~report of a department compliance officer, the department shall notify a person subject to~~  
1504 ~~administrative action who is alleged by the report to have violated this title:]~~

1505 ~~[(a) by no later than eight business days of the day on which the department~~  
1506 ~~compliance officer completes an investigation that finds a violation of this title; and]~~

1507 ~~[(b) that the commission or department may initiate or maintain a disciplinary~~  
1508 ~~proceeding on the basis, in whole or in part, of the violation.]~~

1509 (1) The department or the commission may not take administrative action against a  
1510 person subject to administrative action before:

1511 (a) a nondepartment enforcement agency or enforcement officer or a department  
1512 compliance officer submits to the department a report:

1513 (i) containing facts that could support a finding that the person subject to

1514 administrative action violated this title or a commission rule; and  
 1515 (ii) no more than eight business days after the day on which the nondepartment  
 1516 enforcement agency or officer or the compliance officer completes the investigation containing  
 1517 the facts described in Subsection (1)(a)(i); and

1518 (b) subject to Subsection (5), the department notifies the person subject to  
 1519 administrative action, no more than eight business days after the day on which the department  
 1520 receives the report described in Subsection (1)(a), that the commission or department:

1521 (i) received the report described in Subsection (1)(a); and  
 1522 (ii) may initiate or maintain a disciplinary proceeding on the basis, in whole or in part,  
 1523 on the facts contained in the report described in Subsection (1)(a).

1524 ~~[(4)]~~ (2) (a) ~~[A]~~ The department may provide the notice required [by] under this section  
 1525 [may be done] orally, if after the oral notification the department provides written notification.

1526 (b) The department may provide the written notification described in Subsection ~~[(4)]~~  
 1527 (2)(a) [may be sent] outside the time periods required [by] under this section.

1528 ~~[(5)]~~ (3) The department shall maintain a record of a notification required [by] under  
 1529 this section that includes:

- 1530 (a) the name of the person notified; ~~[and]~~
- 1531 (b) the date of the notification[-]; and
- 1532 (c) the type of notification given.

1533 (4) (a) The department may issue an order to show cause if the department receives a  
 1534 report described in Subsection (1)(a), containing facts that could support a finding that the  
 1535 person subject to administrative action violated:

- 1536 (i) this title regarding necessary licensing requirements; or
- 1537 (ii) a commission rule regarding necessary licensing requirements.
- 1538 (b) A necessary licensing requirement described in Subsection (4)(a) includes:
  - 1539 (i) maintaining an approved, licensed premise;
  - 1540 (ii) maintaining insurance;
  - 1541 (iii) maintaining a bond;

- 1542 (iv) following the requirements in Section 32B-1-304, regarding qualifications;
- 1543 (v) maintaining required store hours;
- 1544 (vi) failing to utilize the license issued; or
- 1545 (vii) transferring a license in violation of Chapter 8a, Transfer of Alcohol License Act.
- 1546 (c) The department's issuance of an order to show cause in accordance with this

1547 Subsection (4):

- 1548 (i) does not initiate a disciplinary proceeding; and
- 1549 (ii) is not subject to Title 63G, Chapter 4, Administrative Procedures Act.
- 1550 (5) The department is not required to provide notice as described in Subsection (1)(b)
- 1551 if the person subject to administrative action is staff.

1552 Section 11. Section **32B-3-204** is amended to read:

1553 **32B-3-204. Disciplinary proceeding procedure.**

1554 (1) (a) Subject to Section 32B-3-202, the following may conduct an adjudicative  
1555 proceeding to inquire into a matter necessary and proper for the administration of this title and  
1556 rules adopted under this title:

- 1557 (i) the commission;
- 1558 (ii) a hearing examiner appointed by the commission to conduct a suspension,  
1559 non-renewal, or revocation hearing required by law;
- 1560 (iii) the director; and
- 1561 (iv) the department.

1562 (b) Except as provided in this section or Section 32B-2-605, a person described in  
1563 Subsection (1)(a) shall comply with Title 63G, Chapter 4, Administrative Procedures Act, in an  
1564 adjudicative proceeding.

1565 (c) Except when otherwise provided by law, an adjudicative proceeding before the  
1566 commission or a hearing examiner appointed by the commission shall be:

- 1567 (i) video or audio recorded; and
- 1568 (ii) subject to Subsection (3)(b), conducted in accordance with Title 52, Chapter 4,  
1569 Open and Public Meetings Act.



1570 (d) A person listed in Subsection (1)(a) shall conduct an adjudicative proceeding  
1571 concerning departmental personnel in accordance with Title 67, Chapter 19, Utah State  
1572 Personnel Management Act.

1573 (e) A hearing that is informational, fact gathering, and nonadversarial in nature shall be  
1574 conducted in accordance with rules, policies, and procedures made by the commission,  
1575 director, or department.

1576 (2) (a) Subject to Section [32B-3-202](#), a disciplinary proceeding shall be conducted  
1577 under the authority of the commission, which is responsible for rendering a final decision and  
1578 order on a disciplinary matter.

1579 (b) (i) The commission may appoint a necessary officer, including a hearing examiner,  
1580 from within or without the department, to administer the disciplinary proceeding process.

1581 (ii) A hearing examiner appointed by the commission:

1582 (A) may conduct a disciplinary proceeding hearing on behalf of the commission; and

1583 (B) shall submit to the commission a report including:

1584 (I) findings of fact determined on the basis of a preponderance of the evidence  
1585 presented at the hearing;

1586 (II) conclusions of law; and

1587 (III) recommendations.

1588 (iii) A report of a hearing examiner under this Subsection (2)(b) may not recommend a  
1589 penalty more severe than that initially sought by the department in the notice of agency action.

1590 (iv) A copy of a hearing examiner report under this Subsection (2)(b) shall be served  
1591 upon the respective parties.

1592 (v) Before final commission action, the commission shall give a respondent and the  
1593 department reasonable opportunity to file a written objection to a hearing examiner report.

1594 (3) (a) The commission or an appointed hearing examiner shall preside over a  
1595 disciplinary proceeding hearing.

1596 (b) A disciplinary proceeding hearing may be closed only after the commission or  
1597 hearing examiner makes a written finding that the public interest in an open hearing is clearly

1598 outweighed by factors enumerated in the closure order.

1599 (c) (i) The commission or [~~its~~] an appointed hearing examiner as part of a disciplinary  
1600 proceeding hearing may:

1601 (A) administer an oath or affirmation;

1602 (B) take evidence, including evidence provided in relation to an order to show cause  
1603 the department issued in accordance with Section [32B-3-202](#);

1604 (C) take a deposition within or without this state; and

1605 (D) require by subpoena from a place within this state:

1606 (I) the testimony of a person at a hearing; and

1607 (II) the production of a record or other evidence considered relevant to the inquiry.

1608 (ii) A person subpoenaed in accordance with this Subsection (3)(c) shall testify and  
1609 produce a record or tangible thing as required in the subpoena.

1610 (iii) A witness subpoenaed, called to testify, or called to produce evidence who claims  
1611 a privilege against self-incrimination may not be compelled to testify, but the commission or  
1612 the hearing examiner shall file a written report with the county attorney or district attorney in  
1613 the jurisdiction where the privilege is claimed or where the witness resides setting forth the  
1614 circumstance of the claimed privilege.

1615 (iv) (A) A person is not excused from obeying a subpoena without just cause.

1616 (B) A district court within the judicial district in which a person alleged to be guilty of  
1617 willful contempt of court or refusal to obey a subpoena is found or resides, upon application by  
1618 the party issuing the subpoena, may issue an order requiring the person to:

1619 (I) appear before the issuing party; and

1620 (II) (Aa) produce documentary evidence if so ordered; or

1621 (Bb) give evidence regarding the matter in question.

1622 (C) Failure to obey an order of the court may be punished by the court as contempt.

1623 (d) In a case heard by the commission, the commission shall issue its final decision and  
1624 order in accordance with Subsection (2).

1625 (4) (a) The commission shall:

- 1626 (i) render a final decision and order on a disciplinary action; and  
1627 (ii) cause its final order to be prepared in writing, issued, and served on all parties.  
1628 (b) An order of the commission is final on the date the order is issued.  
1629 (c) The commission, after the commission renders its final decision and order, may  
1630 require the director to prepare, issue, and cause to be served on the parties the final written  
1631 order on behalf of the commission.  
1632 (5) (a) If a respondent requests a disciplinary proceeding hearing, the hearing held by  
1633 the commission or a hearing examiner appointed by the commission shall proceed formally in  
1634 accordance with Sections [63G-4-204](#) through [63G-4-209](#) if:  
1635 (i) the alleged violation poses, or potentially poses, a grave risk to public safety, health,  
1636 and welfare;  
1637 (ii) the alleged violation involves:  
1638 (A) selling or furnishing an alcoholic product to a minor;  
1639 (B) attire, conduct, or entertainment prohibited by Chapter 1, Part 5, Attire, Conduct,  
1640 and Entertainment Act;  
1641 (C) fraud, deceit, willful concealment, or misrepresentation of the facts by or on behalf  
1642 of the respondent;  
1643 (D) interfering or refusing to cooperate with:  
1644 (I) an authorized official of the department or the state in the discharge of the official's  
1645 duties in relation to the enforcement of this title; or  
1646 (II) a peace officer in the discharge of the peace officer's duties in relation to the  
1647 enforcement of this title;  
1648 (E) an unlawful trade practice under Chapter 4, Part 7, Trade Practices Act;  
1649 (F) unlawful importation of an alcoholic product; or  
1650 (G) unlawful supply of liquor by a liquor industry member, as defined in Section  
1651 [32B-4-702](#), to a person other than the department or a military installation, except to the extent  
1652 permitted by this title; or  
1653 (iii) the department determines to seek in a disciplinary proceeding hearing:

- 1654 (A) an administrative fine exceeding \$3,000;
- 1655 (B) a suspension of a license, permit, or certificate of approval of more than 10 days; or
- 1656 (C) a revocation of a license, permit, or certificate of approval.

1657 (b) If a respondent does not request a disciplinary proceeding hearing, a hearing shall  
1658 proceed informally unless it is designated as a formal proceeding pursuant to rules adopted by  
1659 the commission in accordance with Subsection (5)(c).

1660 (c) The commission shall make rules to provide a procedure to implement this  
1661 Subsection (5).

1662 (6) (a) If the department recommends nonrenewal of a license, the department shall  
1663 notify the licensee of the recommendation at least 15 days before the commission takes action  
1664 on the nonrenewal.

1665 (b) Notwithstanding Subsection (2), the commission shall appoint a hearing examiner  
1666 to conduct an adjudicative hearing in accordance with this section if the licensee files a request  
1667 for a hearing within 10 days of receipt of the notice under Subsection (6)(a).

1668 Section 12. Section **32B-4-415** is amended to read:

1669 **32B-4-415. Unlawful bringing onto premises for consumption.**

1670 (1) Except as provided in Subsection (4) and [~~Subsection 32B-5-307(4)~~] Section  
1671 32B-5-307, a person may not bring an alcoholic product for on-premise consumption onto the  
1672 premises of:

- 1673 (a) a retail licensee or person required to be licensed under this title as a retail licensee;
- 1674 (b) an establishment that conducts a business similar to a retail licensee;
- 1675 (c) an event where an alcoholic product is sold, offered for sale, or furnished under a  
1676 single event permit or temporary beer event permit issued under this title;
- 1677 (d) an establishment open to the general public; or
- 1678 (e) the capitol hill complex.

1679 (2) Except as provided in Subsection (4) and [~~Subsection 32B-5-307(4)~~] Section  
1680 32B-5-307, the following may not allow a person to bring onto its premises an alcoholic  
1681 product for on-premise consumption or allow consumption of an alcoholic product brought

1682 onto its premises in violation of this section:

1683 (a) a retail licensee or a person required to be licensed under this title as a retail  
1684 licensee;

1685 (b) an establishment that conducts a business similar to a retail licensee;

1686 (c) a single event permittee or temporary beer event permittee;

1687 (d) an establishment open to the general public;

1688 (e) the State Capitol Preservation Board created in Section [63C-9-201](#); or

1689 (f) staff of a person listed in Subsections (2)(a) through (e).

1690 (3) Except as provided in Subsection (4)(c)(i)(A), a person may not consume an  
1691 alcoholic product in a limousine or chartered bus if the limousine or chartered bus drops off a  
1692 passenger at:

1693 (a) a location from which the passenger departs in a private vehicle; or

1694 (b) the capitol hill complex.

1695 (4) (a) A person may bring bottled wine onto the premises of the following and  
1696 consume the wine pursuant to Section [32B-5-307](#):

1697 (i) a full-service restaurant licensee;

1698 (ii) a limited restaurant licensee;

1699 (iii) a bar establishment licensee; or

1700 (iv) a person operating under a resort spa sublicense.

1701 (b) A passenger of a limousine may bring onto, possess, and consume an alcoholic  
1702 product in the limousine if:

1703 (i) the travel of the limousine begins and ends at:

1704 (A) the residence of the passenger;

1705 (B) the hotel of the passenger, if the passenger is a registered guest of the hotel; or

1706 (C) the temporary domicile of the passenger;

1707 (ii) the driver of the limousine is separated from the passengers by partition or other  
1708 means approved by the department; and

1709 (iii) the limousine is not located on the capitol hill complex.

1710 (c) A passenger of a chartered bus may bring onto, possess, and consume an alcoholic  
1711 product on the chartered bus:

1712 (i) (A) but may consume only during travel to a specified destination of the chartered  
1713 bus and not during travel back to the place where the travel begins; or

1714 (B) if the travel of the chartered bus begins and ends at:

1715 (I) the residence of the passenger;

1716 (II) the hotel of the passenger, if the passenger is a registered guest of the hotel; or

1717 (III) the temporary domicile of the passenger;

1718 (ii) if the chartered bus has a nondrinking designee other than the driver traveling on  
1719 the chartered bus to monitor consumption; and

1720 (iii) if the chartered bus is not located on the capitol hill complex.

1721 (5) A person may bring onto any premises, possess, and consume an alcoholic product  
1722 at a private event.

1723 (6) Notwithstanding Subsection (5), private and public facilities may prohibit the  
1724 possession or consumption of alcohol on their premises.

1725 (7) The restrictions of Subsections (2) and (3) apply to a resort licensee or hotel  
1726 licensee or person operating under a sublicense in relationship to:

1727 (a) the boundary of a resort building, as defined in Section 32B-8-102, or the boundary  
1728 of a hotel, as defined in Section 32B-8b-102, in an area that is open to the public; or

1729 (b) except as provided in Subsection (4), [~~a-sublicense~~] sublicensed premises.

1730 Section 13. Section ~~32B-4-422~~ is amended to read:

1731 **32B-4-422. Unlawful dispensing.**

1732 [~~(1) For purposes of this section:~~]

1733 [~~(a) "Primary spirituous liquor" means the main distilled spirit in a beverage.]~~]

1734 [~~(b) "Primary spirituous liquor" does not include a secondary alcoholic product used as  
1735 a flavoring in conjunction with the primary distilled spirit in a beverage.]~~]

1736 [~~(2)~~] (1) A retail licensee licensed under this title to sell, offer for sale, or furnish

1737 spirituous liquor for consumption on the licensed premises, or staff of the retail licensee may

1738 not:

1739 (a) sell, offer for sale, or furnish a primary spirituous liquor to a person on the licensed  
1740 premises except in a quantity that does not exceed 1.5 ounces per beverage dispensed through a  
1741 calibrated metered dispensing system approved by the department;

1742 (b) sell, offer for sale, or furnish more than a total of 2.5 ounces of spirituous liquor per  
1743 beverage;

1744 (c) allow a person on the licensed premises to have more than a total of 2.5 ounces of  
1745 spirituous liquor at a time; or

1746 (d) (i) except as provided in Subsection [~~(2)~~] (1)(d)(ii), allow a person to have more  
1747 than two spirituous liquor beverages at a time; or

1748 (ii) allow a person on the premises of the following to have more than one spirituous  
1749 liquor beverage at a time:

1750 (A) a full-service restaurant licensee;

1751 (B) a person operating under a full-service restaurant sublicense;

1752 (C) an on-premise banquet licensee;

1753 (D) a person operating under an on-premise banquet sublicense; or

1754 (E) a single event permittee.

1755 [~~(3)~~] (2) A violation of this section is a class C misdemeanor.

1756 Section 14. Section **32B-5-201** is amended to read:

1757 **32B-5-201. Application requirements for retail license.**

1758 (1) (a) Before a person may store, sell, offer for sale, furnish, or permit consumption of  
1759 an alcoholic product on licensed premises as a retail licensee, the person shall first obtain a  
1760 retail license issued by the commission, notwithstanding whether the person holds a local  
1761 license or a permit issued by a local authority.

1762 (b) Violation of this Subsection (1) is a class B misdemeanor.

1763 (2) To obtain a retail license under this title, a person shall submit to the department:

1764 (a) a written application in a form prescribed by the department;

1765 (b) a nonrefundable application fee in the amount specified in the relevant ~~[part under~~

1766 ~~Chapter 6, Specific Retail License Act,~~ chapter or part for the type of retail license for which  
1767 the person is applying;

1768 (c) an initial license fee:

1769 (i) in the amount specified in the relevant [~~part under Chapter 6, Specific Retail~~  
1770 ~~License Act,~~] chapter or part for the type of retail license for which the person is applying; and

1771 (ii) that is refundable if a retail license is not issued;

1772 (d) written consent of the local authority, including, if applicable, consent for each  
1773 proposed sublicense;

1774 (e) a copy of:

1775 (i) the person's current business license; and

1776 (ii) if the person is applying for a principal license, the current business license for each  
1777 proposed sublicense, except if the relevant political subdivision determines that the business  
1778 license for a proposed sublicense is included in the person's current business license;

1779 (f) evidence of the proposed retail licensee's proximity to any community location, with  
1780 proximity requirements being governed by Section 32B-1-202;

1781 (g) a bond as specified by Section 32B-5-204;

1782 (h) a floor plan, and boundary map where applicable, of the premises of the retail  
1783 license and each, if any, accompanying sublicense, including any:

1784 (i) consumption area; and

1785 (ii) area where the person proposes to store, sell, offer for sale, or furnish an alcoholic  
1786 beverage;

1787 (i) evidence that the retail licensee [~~is carrying~~] carries public liability insurance in an  
1788 amount and form satisfactory to the department;

1789 (j) evidence that the retail licensee [~~is carrying~~] carries dramshop insurance coverage of  
1790 at least:

1791 (i) \$1,000,000 per occurrence and \$2,000,000 in the aggregate;

1792 (ii) if the retail licensee is a hotel licensee or a resort licensee, \$1,000,000 per  
1793 occurrence and \$2,000,000 in the aggregate to cover both the principal license and all



1794 accompanying sublicenses; or  
1795 (iii) if the retail licensee is an arena licensee, \$10,000,000 per occurrence and  
1796 \$20,000,000 in the aggregate to cover both the arena license and all accompanying sublicenses.  
1797 (k) a signed consent form stating that the retail licensee will permit any authorized  
1798 representative of the commission, department, or any law enforcement officer to have  
1799 unrestricted right to enter:  
1800 (i) the premises of the retail licensee; and  
1801 (ii) if applicable, the premises of each of the retail licensee's accompanying  
1802 sublicenses;  
1803 (l) if the person is an entity, proper verification evidencing that a person who signs the  
1804 application is authorized to sign on behalf of the entity;  
1805 (m) a responsible alcohol service plan; and  
1806 (n) any other information the commission or department may require.  
1807 (3) The commission may not issue a retail license to a person who:  
1808 (a) is disqualified under Section 32B-1-304; or  
1809 (b) is not lawfully present in the United States.  
1810 (4) Unless otherwise provided in the relevant [~~part under Chapter 6, Specific Retail~~  
1811 ~~License Act,~~] chapter or part for the type of retail license for which the person is applying, the  
1812 commission may not issue a retail license to a person if the proposed licensed premises does  
1813 not meet the proximity requirements of Section 32B-1-202.  
1814 Section 15. Section 32B-5-202 is amended to read:  
1815 **32B-5-202. Renewal requirements.**  
1816 (1) A retail license expires each year on the day specified in the relevant [~~part under~~  
1817 ~~Chapter 6, Specific Retail License Act,~~] chapter or part for that type of retail license.  
1818 (2) (a) To renew a person's retail license, a retail licensee shall, by no later than the day  
1819 specified in the relevant [~~part under Chapter 6, Specific Retail License Act,~~] chapter or part for  
1820 the type of retail license that [~~is being renewed~~] the person seeks to renew, submit:  
1821 (i) a completed renewal application in a form prescribed by the department; and

1822 (ii) a renewal fee in the amount specified in the relevant [~~part under Chapter 6, Specific~~  
1823 ~~Retail License Act,~~] chapter or part for the type of retail license that [~~is being renewed~~] the  
1824 person seeks to renew.

1825 (b) A retail licensee shall submit a responsible alcohol service plan as part of the retail  
1826 licensee's renewal application if, since the retail licensee's most recent application or renewal,  
1827 the retail licensee:

1828 (i) made substantial changes to the retail licensee's responsible alcohol service plan; or

1829 (ii) violated a provision of this chapter.

1830 (c) The department may audit a retail licensee's responsible alcohol service plan.

1831 (3) Failure to meet the renewal requirements results in an automatic forfeiture of the  
1832 retail license effective on the [~~date~~] day on which the existing retail license expires.

1833 Section 16. Section **32B-5-203** is amended to read:

1834 **32B-5-203. Commission and department duties before issuing a retail license.**

1835 (1) (a) Before the commission may issue a retail license, the department shall conduct  
1836 an investigation and may hold public hearings to gather information and make  
1837 recommendations to the commission as to whether a retail license and, if applicable, each  
1838 accompanying sublicense should be issued.

1839 (b) The department shall forward the information and recommendations described in  
1840 Subsection (1)(a) to the commission to aid in the commission's determination.

1841 (2) Before issuing a retail license, the commission shall:

1842 (a) determine that the person filed a complete application and is in compliance with:

1843 (i) Section [32B-5-201](#); and

1844 (ii) the specific licensing requirements specified in the relevant [~~part under Chapter 6,~~  
1845 ~~Specific Retail License Act,~~] chapter or part for the type of retail license for which the person is  
1846 applying;

1847 (b) determine that the person and, if applicable, each of the person's accompanying  
1848 sublicenses is not disqualified under Section [32B-1-304](#);

1849 (c) consider the locality within which the proposed licensed premises and, if

1850 applicable, each proposed sublicensed premises is located, including:

1851 (i) physical characteristics such as:

1852 (A) condition of the licensed or sublicensed premises;

1853 (B) square footage; and

1854 (C) parking availability; and

1855 (ii) operational factors such as:

1856 (A) tourist traffic;

1857 (B) demographics;

1858 (C) population to be served;

1859 (D) proximity to and density of other state stores, package agencies, and retail

1860 licensees; and

1861 (E) the extent of and proximity to any community location;

1862 (d) consider the person's ability to manage and operate a retail license, and if applicable

1863 the ability of each individual who will act in a supervisory or managerial capacity for each

1864 accompanying sublicense to supervise or manage a sublicense, of the type for which the person

1865 is applying, including:

1866 (i) management experience;

1867 (ii) past retail alcoholic product experience; and

1868 (iii) the type of management scheme to be used by the retail licensee or accompanying

1869 sublicensee;

1870 (e) consider the nature or type of retail licensee operation, and if applicable each

1871 proposed accompanying sublicensee's operation, of the proposed retail licensee, including:

1872 (i) the type of menu items that will be offered and emphasized;

1873 (ii) whether the retail licensee or the retail licensee's accompanying sublicensee will

1874 emphasize service to an adult clientele or to minors;

1875 (iii) the proposed hours of operation;

1876 (iv) the seating capacity of the premises; and

1877 (v) the estimated gross sales of food items; and

- 1878 (f) consider any other factor the commission considers necessary.
- 1879 (3) The commission shall determine whether an applicant under this section has an
- 1880 adequate kitchen or culinary facilities by considering:
- 1881 (a) the type of retail license or sublicense for which the person is applying;
- 1882 (b) the purpose of the proposed retail license or sublicense; and
- 1883 (c) the locality within which the proposed licensed or sublicensed premises is located.
- 1884 Section 17. Section **32B-5-204** is amended to read:
- 1885 **32B-5-204. Bond for retail license.**
- 1886 (1) (a) A retail licensee shall post a cash bond or surety bond:
- 1887 (i) in the amount specified in the relevant [~~part under Chapter 6, Specific Retail~~
- 1888 ~~License Act,~~] chapter or part for the type of retail license for which the person is applying; and
- 1889 (ii) payable to the department.
- 1890 (b) A retail licensee shall procure and maintain the bond required under this section for
- 1891 as long as the retail licensee continues to operate as a retail licensee.
- 1892 (2) A bond required under this section shall be:
- 1893 (a) in a form approved by the attorney general; and
- 1894 (b) conditioned upon the retail licensee's faithful compliance with this title and the
- 1895 rules of the commission.
- 1896 (3) (a) If a surety bond posted by a retail licensee under this section is canceled due to
- 1897 the retail licensee's negligence, the department may assess a \$300 reinstatement fee.
- 1898 (b) No part of a bond posted by a retail licensee under this section may be withdrawn:
- 1899 (i) during the period the retail license is in effect; or
- 1900 (ii) while a revocation proceeding is pending against the retail licensee.
- 1901 (4) (a) A bond posted under this section by a retail licensee may be forfeited if the
- 1902 retail license is revoked.
- 1903 (b) Notwithstanding Subsection (4)(a), the department may make a claim against a
- 1904 bond posted by a retail licensee for money owed the department under this title without the
- 1905 commission first revoking the retail license.

1906 Section 18. Section **32B-5-207** is amended to read:

1907 **32B-5-207. Multiple retail licenses on same premises.**

1908 (1) As used in this section, [~~"sublicense premises" means the same as that term is~~  
 1909 ~~defined in Sections 32B-8-102 and 32B-8b-102.~~] "license" means:

1910 (a) a retail license; or

1911 (b) a sublicense.

1912 (2) [~~(a) The~~] Except as provided in Subsection (3), the commission may not issue and  
 1913 one or more licensees may not hold more than one type of [retail] license for the same  
 1914 premises.

1915 [~~(b) (3) (a) [Notwithstanding Subsection (2)(a), the~~] The commission may issue and  
 1916 one or more licensees may hold more than one type of [retail] license for the same premises if:

1917 (i) the applicant or licensee satisfies the requirements for each [retail] license;

1918 (ii) the types of [retail] licenses issued or held are two or more of the following:

1919 (A) a restaurant license;

1920 (B) an on-premise beer retailer license that is not a tavern; [and]

1921 (C) an on-premise banquet license or a reception center license; and

1922 (D) a hospitality amenity license; and

1923 (iii) the [retail] licenses do not operate at the same time on the same day.

1924 (b) The commission may issue and two or more restaurant licensees may share an area  
 1925 of each restaurant licensee's licensed premises designated for alcoholic beverage consumption,  
 1926 if:

1927 (i) the applicants or licensees satisfy the requirements for each license; and

1928 (ii) the only shared premises between the issued or held restaurant licenses is the area  
 1929 for alcoholic beverage consumption.

1930 (c) The commission may issue and two or more licensees may share a kitchen or  
 1931 culinary facilities located in or on one or more of the licensees' licensed premises, if:

1932 (i) the types of licenses issued or held are two or more sublicenses of a principal  
 1933 licensee:

1934            (A) one of which is an on-premise banquet sublicense; and  
 1935            (B) one of which is a restaurant license that is a sublicense, an on-premise beer retailer  
 1936 sublicense that is not a tavern, or a bar sublicense; or  
 1937            (ii) (A) the same person applies for or holds each license;  
 1938            (B) the licensed premises are each owned or leased by the same person and located in  
 1939 the same building; and  
 1940            (C) the only shared premises between the issued or held licenses is the kitchen or  
 1941 culinary facilities area, including any pathway necessary to transport an item to and from the  
 1942 area.

1943            [~~3~~] (4) When one or more licensees hold more than one type of [~~retail~~] license for the  
 1944 same premises under Subsection [~~(2)(b)~~] (3)(a), the one or more licensees shall post in a  
 1945 conspicuous location at the entrance of the room a sign that:

- 1946            (a) measures 8-1/2 inches by 11 inches; and
- 1947            (b) states whether the premises is currently operating as:
  - 1948            (i) a restaurant;
  - 1949            (ii) an on-premise beer retailer that is not a tavern; [~~or~~]
  - 1950            (iii) a banquet or a reception center[-]; or
  - 1951            (iv) a hospitality amenity.

1952            (5) When two or more restaurant licensees share an area of each restaurant licensee's  
 1953 licensed premises designated for alcoholic beverage consumption in accordance with  
 1954 Subsection (3)(b), each licensee shall:

- 1955            (a) maintain control over the licensee's patrons; and
- 1956            (b) use a visual marker to clearly identify which licensee served each patron.

1957            [~~4~~] (6) (a) [~~The~~] For purposes of Subsection (3)(a), the commission may not issue and  
 1958 one or more licensees may not hold a bar license or a tavern license in the same room as a  
 1959 restaurant license.

1960            (b) For purposes of Subsection [~~4~~] (6)(a), two licenses are not considered in the same  
 1961 room if:

1962 (i) each shared permanent wall between the premises licensed as a bar or a tavern and  
 1963 the premises licensed as a restaurant measures at least eight feet high;

1964 (ii) the premises for each license has a separate entryway that does not require a patron  
 1965 to pass through the premises licensed as a bar or a tavern to access the premises licensed as a  
 1966 restaurant; and

1967 (iii) if a patron must pass through the premises licensed as a restaurant to access the  
 1968 entryway to the premises licensed as a bar or a tavern, a patron on the premises licensed as a  
 1969 restaurant cannot see a dispensing structure on the premises licensed as a bar or a tavern.

1970 ~~[(5)(a) If, on May 9, 2017, one or more licensees hold more than one type of retail~~  
 1971 ~~license in violation of Subsection (2) or (4), the one or more licensees may operate under the~~  
 1972 ~~different types of retail licenses through June 30, 2018.]~~

1973 ~~[(b) A licensee may not operate in violation of Subsection (2) or (4) on or after July 1,~~  
 1974 ~~2018.]~~

1975 ~~[(c) Before July 1, 2018, each licensee described in Subsection (5)(a) shall notify the~~  
 1976 ~~commission of each retail license that the licensee will surrender effective July 1, 2018, to~~  
 1977 ~~comply with the provisions of Subsection (2) or (4).]~~

1978 ~~[(6)]~~ (7) (a) The commission may issue more than one type of sublicense to a resort  
 1979 licensed under Chapter 8, Resort License Act, or a hotel licensed under Chapter 8b, Hotel  
 1980 License Act, for the same room if the ~~[sublicense]~~ sublicensed premises are clearly delineated  
 1981 by one or more permanent physical structures, such as a wall or other architectural feature, that  
 1982 separate the ~~[sublicense]~~ sublicensed premises.

1983 (b) A patron may not transport an alcoholic beverage between two ~~[sublicense]~~  
 1984 sublicensed premises located in the same room in accordance with Subsection ~~[(6)]~~ (7)(a).

1985 (c) Notwithstanding any provision to the contrary, a minor may momentarily pass  
 1986 through a ~~[sublicense]~~ sublicensed premises that is a bar to reach another location where a  
 1987 minor may lawfully be, if there is no practical alternative route to the location.

1988 Section 19. Section **32B-5-301** is amended to read:

1989 **32B-5-301. General operational requirements.**

1990 (1) (a) A retail licensee and staff of a retail licensee shall comply with this title and the  
1991 rules of the commission, including the relevant [~~part under Chapter 6, Specific Retail License~~  
1992 ~~Act,~~] chapter or part for the specific type of retail license.

1993 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
1994 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1995 (i) a retail licensee;

1996 (ii) individual staff of a retail licensee; or

1997 (iii) both a retail licensee and staff of the retail licensee.

1998 (2) (a) If there is a conflict between this part and the relevant [~~part under Chapter 6,~~  
1999 ~~Specific Retail License Act,~~] chapter or part for the specific type of retail license, the relevant  
2000 [~~part under Chapter 6, Specific Retail License Act,~~] chapter or part for the specific type of retail  
2001 license governs.

2002 (b) Notwithstanding that this part refers to "liquor" or an "alcoholic product," a retail  
2003 licensee may only sell, offer for sale, furnish, or allow the consumption of an alcoholic product  
2004 specifically authorized by the relevant [~~part under Chapter 6, Specific Retail License Act~~]  
2005 chapter or part for the retail licensee's specific type of retail license.

2006 (c) Notwithstanding that this part or the relevant [~~part under Chapter 6, Specific Retail~~  
2007 ~~License Act,~~] chapter or part for a specific retail licensee refers to "retail licensee," staff of the  
2008 retail licensee is subject to the same requirement or prohibition.

2009 (3) (a) A retail licensee shall display in a prominent place in the licensed premises the  
2010 retail license that is issued by the department.

2011 (b) A retail licensee shall display in a prominent place a sign in large letters that  
2012 consists of text in the following order:

2013 (i) a header that reads: "WARNING";

2014 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy  
2015 can cause birth defects and permanent brain damage for the child.";

2016 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at  
2017 [insert most current toll-free number] with questions or for more information.";



- 2018 (iv) a header that reads: "WARNING"; and
- 2019 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a  
2020 serious crime that is prosecuted aggressively in Utah."
- 2021 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different  
2022 font style than the text described in Subsections (3)(b)(iv) and (v).
- 2023 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the  
2024 same font size.
- 2025 (d) The Department of Health shall work with the commission and department to  
2026 facilitate consistency in the format of a sign required under this section.
- 2027 (4) A retail licensee may not on the licensed premises:
- 2028 (a) engage in or permit any form of gambling, as defined and proscribed in Title 76,  
2029 Chapter 10, Part 11, Gambling;
- 2030 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,  
2031 Part 11, Gambling; or
- 2032 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires  
2033 the risking of something of value for a return or for an outcome when the return or outcome is  
2034 based upon an element of chance, excluding the playing of an amusement device that confers  
2035 only an immediate and unrecorded right of replay not exchangeable for value.
- 2036 (5) A retail licensee may not knowingly allow a person on the licensed premises to, in  
2037 violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug  
2038 Paraphernalia Act:
- 2039 (a) sell, distribute, possess, or use a controlled substance, as defined in Section  
2040 58-37-2; or
- 2041 (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in  
2042 Section 58-37a-3.
- 2043 (6) Upon the presentation of credentials, at any time during which a retail licensee is  
2044 open for the transaction of business, the retail licensee shall immediately:
- 2045 (a) admit a commissioner, authorized department employee, or law enforcement officer

2046 to the retail licensee's premises; and

2047 (b) permit, without hindrance or delay, the person described in Subsection (6)(a) to  
2048 inspect completely:

2049 (i) the entire premises of the retail licensee; and

2050 (ii) the records of the retail licensee.

2051 (7) An individual may not consume an alcoholic product on the licensed premises of a  
2052 retail licensee on any day during the period:

2053 (a) beginning one hour after the time of day that the period during which a retail  
2054 licensee may not sell, offer for sale, or furnish an alcoholic product on the licensed premises  
2055 begins; and

2056 (b) ending at the time specified in the relevant [~~part under Chapter 6, Specific Retail~~  
2057 ~~License Act,~~] chapter or part for the retail licensee's specific type of retail license when the  
2058 retail licensee may first sell, offer for sale, or furnish an alcoholic product on the licensed  
2059 premises on that day.

2060 (8) [~~(a)~~] An employee of a retail licensee who sells, offers for sale, or furnishes an  
2061 alcoholic product to a patron shall wear an identification badge.

2062 [~~(b)~~] (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
2063 Act, the commission shall make rules:

2064 (a) related to the requirement described in Subsection (8)[~~(a)~~]; and

2065 (b) for dispensing systems and dispensing areas of restaurant licensees, bar licensees,  
2066 and taverns, establishing standards:

2067 (i) in accordance with the provisions of this title; and

2068 (ii) prohibiting a dispensing system to remain at a patron's table.

2069 Section 20. Section **32B-5-307** is amended to read:

2070 **32B-5-307. Bringing alcoholic product onto or removing alcoholic product from**  
2071 **premises.**

2072 (1) Except as provided in [~~Subsection (3)~~] Subsections (3) through (5):

2073 (a) A person may not bring onto the licensed premises of a retail licensee an alcoholic

2074 product for on-premise consumption.

2075 (b) A retail licensee may not allow a person to:

2076 (i) bring onto licensed premises an alcoholic product for on-premise consumption; or

2077 (ii) consume an alcoholic product brought onto the licensed premises by a person other  
2078 than the retail licensee.

2079 (c) A retail licensee may not sell, offer for sale, or furnish an alcoholic product through  
2080 a window or door to a location off the licensed premises or to a vehicular traffic area.

2081 (2) Except as provided in Subsections (3)~~[(4)]~~ through (5) and 32B-4-415(5):

2082 (a) a person may not carry from a licensed premises of a retail licensee an open  
2083 container that:

2084 (i) is used primarily for drinking purposes; and

2085 (ii) contains an alcoholic product;

2086 (b) a retail licensee may not permit a patron to carry from the licensed premises an  
2087 open container described in Subsection (2)(a); and

2088 (c) (i) a person may not carry from a licensed premises of a retail licensee a sealed  
2089 container of liquor that has been purchased from the retail licensee; and

2090 (ii) a retail licensee may not permit a patron to carry from the licensed premises a  
2091 sealed container of liquor that has been purchased from the retail licensee.

2092 (3) (a) A patron may bring a bottled wine onto the premises of a retail licensee for  
2093 on-premise consumption if:

2094 (i) permitted by the retail licensee; and

2095 (ii) the retail licensee is authorized to sell, offer for sale, or furnish wine.

2096 (b) If a patron carries bottled wine onto the licensed premises of a retail licensee, the  
2097 patron shall deliver the bottled wine to a server or other representative of the retail licensee  
2098 upon entering the licensed premises.

2099 (c) A retail licensee authorized to sell, offer for sale, or furnish wine, may provide a  
2100 wine service for a bottled wine carried onto the licensed premises in accordance with this  
2101 Subsection (3) or a bottled wine purchased at the licensed premises.

2102 (d) A patron may remove from a licensed premises the unconsumed contents of a bottle  
 2103 of wine purchased at the licensed premises, or brought onto the licensed premises in  
 2104 accordance with this Subsection (3), only if before removal the bottle is recorked or recapped.

2105 ~~[(4) A patron may transport beer between the premises of an on-premise banquet~~  
 2106 ~~license and an on-premise beer retailer license that is not a tavern, and consume the beer on~~  
 2107 ~~either licensed premises, if the licensed premises are:]~~

2108 ~~[(a) immediately adjacent to one another; and]~~

2109 ~~[(b) located in a sports center that has a seating capacity of at least 6,500:]~~

2110 (4) A patron may transport beer between the sublicensed premises of an arena  
 2111 licensee's accompanying sublicenses, if the patron transports the beer from and to an area of  
 2112 each sublicensed premises:

2113 (a) that is adjacent to the other; and

2114 (b) where the consumption of beer is permitted.

2115 (5) Neither a patron nor a retail licensee violates this section if:

2116 (a) the patron is in shared seating; and

2117 (b) the patron purchased the patron's alcoholic beverage from a restaurant licensee  
 2118 whose licensed premises include the shared seating area the patron is in.

2119 Section 21. Section **32B-5-309** is amended to read:

2120 **32B-5-309. Ceasing operation.**

2121 (1) Except as provided in Subsection (8), a retail licensee may not close or cease  
 2122 operation for a period longer than 240 hours, unless:

2123 (a) the retail licensee notifies the department in writing at least seven days before the  
 2124 day on which the retail licensee closes or ceases operation; and

2125 (b) the closure or cessation of operation is first approved by the department.

2126 (2) Notwithstanding Subsection (1), in the case of emergency closure, a retail licensee  
 2127 shall immediately notify the department by telephone.

2128 (3) (a) The department may authorize a closure or cessation of operation of a retail  
 2129 licensee for a period not to exceed 60 days.

- 2130 (b) The department may extend the initial period an additional 30 days upon:
- 2131 (i) written request of the retail licensee; and
- 2132 (ii) a showing of good cause.
- 2133 (4) A closure or cessation of operation may not exceed a total of 90 days without
- 2134 commission approval.
- 2135 (5) A notice required under this section shall include:
- 2136 (a) the dates of closure or cessation of operation;
- 2137 (b) the reason for the closure or cessation of operation; and
- 2138 (c) the date on which the retail licensee will reopen or resume operation.
- 2139 (6) Failure of a retail licensee to provide notice and to obtain department approval
- 2140 before closure or cessation of operation results in an automatic forfeiture of:
- 2141 (a) the retail license; and
- 2142 (b) the unused portion of the retail license fee for the remainder of the retail license
- 2143 year effective immediately.
- 2144 (7) Failure of a retail licensee to reopen or resume operation by the approved date
- 2145 results in an automatic forfeiture of:
- 2146 (a) the retail license; and
- 2147 (b) the unused portion of the retail license fee for the remainder of the retail license
- 2148 year.
- 2149 (8) This section does not apply to:
- 2150 (a) an on-premise beer retailer who is not a tavern; or
- 2151 (b) an airport lounge licensee~~[-];~~ or
- 2152 (c) a hospitality amenity licensee.
- 2153 Section 22. Section **32B-6-205** is amended to read:
- 2154 **32B-6-205. Specific operational requirements for a full-service restaurant license**
- 2155 **-- Before July 1, 2018, or July 1, 2022.**
- 2156 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
- 2157 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee

2158 shall comply with this section.

2159 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2160 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2161 (i) a full-service restaurant licensee;

2162 (ii) individual staff of a full-service restaurant licensee; or

2163 (iii) both a full-service restaurant licensee and staff of the full-service restaurant  
2164 licensee.

2165 (2) In addition to complying with Subsection 32B-5-301(3), a full-service restaurant  
2166 licensee shall display in a prominent place in the restaurant a list of the types and brand names  
2167 of liquor being furnished through the full-service restaurant licensee's calibrated metered  
2168 dispensing system.

2169 (3) In addition to complying with Section 32B-5-303, a full-service restaurant licensee  
2170 shall store an alcoholic product in a storage area described in Subsection (11)(a).

2171 (4) (a) An individual who serves an alcoholic product in a full-service restaurant  
2172 licensee's premises shall make a written beverage tab for each table or group that orders or  
2173 consumes an alcoholic product on the premises.

2174 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an  
2175 alcoholic product ordered or consumed.

2176 (5) A person's willingness to serve an alcoholic product may not be made a condition  
2177 of employment as a server with a full-service restaurant licensee.

2178 (6) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the  
2179 licensed premises during the following time periods only:

2180 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

2181 (ii) on a weekend or a state or federal legal holiday or for a private event, during the  
2182 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2183 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the  
2184 licensed premises during the following time periods only:

2185 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2186 (ii) on a weekend or a state or federal legal holiday or for a private event, during the  
2187 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2188 (7) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an  
2189 alcoholic product except after the full-service restaurant licensee confirms that the patron has  
2190 the intent to order food prepared, sold, and furnished at the licensed premises.

2191 (b) A full-service restaurant licensee shall maintain on the licensed premises adequate  
2192 culinary facilities for food preparation and dining accommodations.

2193 (8) (a) Subject to the other provisions of this Subsection (8), a patron may not have  
2194 more than two alcoholic products of any kind at a time before the patron.

2195 (b) A patron may not have more than one spirituous liquor drink at a time before the  
2196 patron.

2197 (c) An individual portion of wine is considered to be one alcoholic product under  
2198 Subsection (8)(a).

2199 (9) A patron may consume an alcoholic product only:

2200 (a) at:

2201 (i) the patron's table;

2202 (ii) a counter; or

2203 (iii) a seating grandfathered bar structure; and

2204 (b) where food is served.

2205 (10) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an  
2206 alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar  
2207 structure that is not a seating grandfathered bar structure.

2208 (b) At a seating grandfathered bar structure a patron who is 21 years of age or older  
2209 may:

2210 (i) sit;

2211 (ii) be furnished an alcoholic product; and

2212 (iii) consume an alcoholic product.

2213 (c) Except as provided in Subsection (10)(d), at a seating grandfathered bar structure a

2214 full-service restaurant licensee may not permit a minor to, and a minor may not:  
2215 (i) sit; or  
2216 (ii) consume food or beverages.  
2217 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is  
2218 employed by a full-service restaurant licensee:  
2219 (A) as provided in Subsection 32B-5-308(2); or  
2220 (B) to perform maintenance and cleaning services during an hour when the full-service  
2221 restaurant licensee is not open for business.  
2222 (ii) A minor may momentarily pass by a seating grandfathered bar structure without  
2223 remaining or sitting at the bar structure en route to an area of a full-service restaurant licensee's  
2224 premises in which the minor is permitted to be.  
2225 (11) Except as provided in Subsection 32B-5-307(3), a full-service restaurant licensee  
2226 may dispense an alcoholic product only if:  
2227 (a) the alcoholic product is dispensed from:  
2228 (i) a grandfathered bar structure;  
2229 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at  
2230 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May  
2231 12, 2009; or  
2232 (iii) an area that is:  
2233 (A) separated from an area for the consumption of food by a patron by a solid,  
2234 translucent, permanent structural barrier such that the facilities for the storage or dispensing of  
2235 an alcoholic product are:  
2236 (I) not readily visible to a patron; and  
2237 (II) not accessible by a patron; and  
2238 (B) apart from an area used:  
2239 (I) for dining;  
2240 (II) for staging; or  
2241 (III) as a lobby or waiting area;



- 2242 (b) the full-service restaurant licensee uses an alcoholic product that is:  
2243 (i) stored in an area described in Subsection (11)(a); or  
2244 (ii) in an area not described in Subsection (11)(a) on the licensed premises and:  
2245 (A) immediately before the alcoholic product is dispensed it is in an unopened  
2246 container; (B) the unopened container is taken to an area described in Subsection (11)(a) before  
2247 it is opened; and (C) once opened, the container is stored in an area described in Subsection  
2248 (11)(a); and  
2249 (c) any instrument or equipment used to dispense alcoholic product is located in an  
2250 area described in Subsection (11)(a).
- 2251 (12) A full-service restaurant licensee may state in a food or alcoholic product menu a  
2252 charge or fee made in connection with the sale, service, or consumption of liquor including:  
2253 (a) a set-up charge;  
2254 (b) a service charge; or  
2255 (c) a chilling fee.
- 2256 (13) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or  
2257 beverages within 10 feet of a grandfathered bar structure, unless:  
2258 (a) seating within 10 feet of the grandfathered bar structure is the only seating available  
2259 in the licensed premises; and  
2260 (b) the minor is accompanied by an individual who is 21 years of age or older.
- 2261 (14) Except as provided in Subsection [32B-6-205.2](#)~~[(15)]~~(16) and Section  
2262 [32B-6-205.3](#), the provisions of this section apply before July 1, 2018.
- 2263 Section 23. Section **32B-6-205.2** is amended to read:  
2264 **32B-6-205.2. Specific operational requirements for a full-service restaurant**  
2265 **license -- On and after July 1, 2018, or July 1, 2022.**  
2266 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2267 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee  
2268 shall comply with this section.  
2269 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in

2270 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2271 (i) a full-service restaurant licensee;

2272 (ii) individual staff of a full-service restaurant licensee; or

2273 (iii) both a full-service restaurant licensee and staff of the full-service restaurant

2274 licensee.

2275 (2) (a) An individual who serves an alcoholic product in a full-service restaurant

2276 licensee's premises shall make a beverage tab for each table or group that orders or consumes

2277 an alcoholic product on the premises.

2278 (b) A beverage tab described in this Subsection (2) shall state the type and amount of

2279 each alcoholic product ordered or consumed.

2280 (3) A full-service restaurant licensee may not make an individual's willingness to serve

2281 an alcoholic product a condition of employment with a full-service restaurant licensee.

2282 (4) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the

2283 licensed premises during the following time periods only:

2284 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

2285 (ii) on a weekend or a state or federal legal holiday or for a private event, during the

2286 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2287 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the

2288 licensed premises during the following time periods only:

2289 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2290 (ii) on a weekend or a state or federal legal holiday or for a private event, during the

2291 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2292 (5) (a) A full-service restaurant licensee may not furnish an alcoholic product except

2293 after:

2294 (i) the patron to whom the full-service restaurant licensee furnishes the alcoholic

2295 product is seated at:

2296 (A) a table that is located in a dining area or a dispensing area;

2297 (B) a counter that is located in a dining area or a dispensing area; or

2298 (C) a dispensing structure that is located in a dispensing area; and  
2299 (ii) the full-service restaurant licensee confirms that the patron intends to:  
2300 (A) order food prepared, sold, and furnished at the licensed premises; and  
2301 (B) except as provided in Subsection (5)(b), consume the food at the same location  
2302 where the patron is seated and furnished the alcoholic product.

2303 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a  
2304 full-service restaurant licensee, the full-service restaurant licensee may sell, offer for sale, or  
2305 furnish to the patron one drink that contains a single portion of an alcoholic product as  
2306 described in Section 32B-5-304 if:

2307 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing  
2308 structure; and

2309 (B) the full-service restaurant licensee first confirms that after the patron is seated in  
2310 the dining area, the patron intends to order food prepared, sold, and furnished at the licensed  
2311 premises.

2312 (ii) If the patron does not finish the patron's alcoholic product before moving to a seat  
2313 in the dining area, an employee of the full-service restaurant licensee who is qualified to sell  
2314 and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished portion  
2315 of the patron's alcoholic product to the patron's seat in the dining area.

2316 (iii) For purposes of Subsection (5)(b)(i) a single portion of wine is [~~5~~] five ounces or  
2317 less.

2318 (c) A full-service restaurant licensee shall maintain on the licensed premises adequate  
2319 culinary facilities for food preparation and dining accommodations.

2320 (6) A patron may consume an alcoholic product only if the patron is seated at:

2321 (a) a table that is located in a dining area or dispensing area;  
2322 (b) a counter that is located in a dining area or dispensing area; or  
2323 (c) a dispensing structure located in a dispensing area.

2324 (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have  
2325 more than two alcoholic products of any kind at a time before the patron.

2326 (b) A patron may not have more than one spirituous liquor drink at a time before the  
2327 patron.

2328 (c) An individual portion of wine is considered to be one alcoholic product under  
2329 Subsection (7)(a).

2330 (8) In accordance with the provisions of this section, an individual who is at least 21  
2331 years of age may consume food and beverages in a dispensing area.

2332 (9) (a) Except as provided in Subsection (9)(b), a minor may not sit, remain, or  
2333 consume food or beverages in a dispensing area.

2334 (b) (i) A minor may be in a dispensing area if the minor is:

2335 (A) at least 16 years of age and working as an employee of the full-service restaurant  
2336 licensee; or

2337 (B) performing maintenance and cleaning services as an employee of the full-service  
2338 restaurant licensee when the full-service restaurant licensee is not open for business.

2339 (ii) If there is no alternative route available, a minor may momentarily pass through a  
2340 dispensing area without remaining or sitting in the dispensing area en route to an area of the  
2341 full-service restaurant licensee's premises in which the minor is permitted to be.

2342 (10) Except as provided in Subsection [32B-5-307\(3\)](#), a full-service restaurant licensee  
2343 may dispense an alcoholic product only if:

2344 (a) the alcoholic product is dispensed from:

2345 (i) a dispensing structure that is located in a dispensing area;

2346 (ii) an area that is:

2347 (A) separated from an area for the consumption of food by a patron by a solid,  
2348 translucent, permanent structural barrier such that the facilities for the dispensing of an  
2349 alcoholic product are not readily visible to a patron and not accessible by a patron; and

2350 (B) apart from an area used for dining, for staging, or as a waiting area; or

2351 (iii) the premises of a bar licensee that is:

2352 (A) owned by the same person or persons as the full-service restaurant licensee; and

2353 (B) located immediately adjacent to the premises of the full-service restaurant licensee;

2354 and

2355 (b) any instrument or equipment used to dispense alcoholic product is located in an  
2356 area described in Subsection (10)(a).

2357 (11) (a) A full-service restaurant licensee may have more than one dispensing area in  
2358 the licensed premises.

2359 (b) Each dispensing area in a licensed premises may satisfy the requirements for a  
2360 dispensing area under Subsection 32B-6-202(2)(a)(i), (ii), or (iii), regardless of how any other  
2361 dispensing area in the licensed premises satisfies the requirements for a dispensing area.

2362 (12) A full-service restaurant licensee may not:

2363 (a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or

2364 (b) display an alcoholic product or a product intended to appear like an alcoholic  
2365 product by moving a cart or similar device around the licensed premises.

2366 (13) A full-service restaurant licensee may state in a food or alcoholic product menu a  
2367 charge or fee made in connection with the sale, service, or consumption of liquor, including:

2368 (a) a set-up charge;

2369 (b) a service charge; or

2370 (c) a chilling fee.

2371 (14) (a) In addition to the requirements described in Section 32B-5-302, a full-service  
2372 restaurant licensee shall maintain each of the following records for at least three years:

2373 (i) a record required by Section 32B-5-302; and

2374 (ii) a record that the commission requires a full-service restaurant licensee to use or  
2375 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative  
2376 Rulemaking Act.

2377 (b) The department shall audit the records of a full-service restaurant licensee at least  
2378 once each calendar year.

2379 (15) A full-service restaurant licensee may lease to a patron of the full-service  
2380 restaurant licensee a locked storage space:

2381 (a) that the commission considers proper for the storage of wine; and

2382           (b) for the storage of wine that:  
2383           (i) the patron purchases from the full-service restaurant licensee; and  
2384           (ii) only the full-service restaurant licensee or staff of the full-service restaurant  
2385 licensee may remove from the locker for the patron's use in accordance with this title,  
2386 including:  
2387           (A) service and consumption on licensed premises as described in Section [32B-5-306](#);  
2388 or  
2389           (B) removal from the full-service retail licensee's licensed premises in accordance with  
2390 Section [32B-5-307](#).  
2391           ~~[(15)]~~ (16) (a) In accordance with Section [32B-6-205.3](#), a full-service restaurant  
2392 licensee:  
2393           (i) may comply with the provisions of this section beginning on or after July 1, 2017;  
2394 and  
2395           (ii) shall comply with the provisions of this section:  
2396           (A) for a full-service restaurant licensee that does not have a grandfathered bar  
2397 structure, on and after July 1, 2018; or  
2398           (B) for a full-service restaurant licensee that has a grandfathered bar structure, on and  
2399 after July 1, 2022.  
2400           (b) A full-service restaurant licensee that elects to comply with the provisions of this  
2401 section before the latest applicable date described in Subsection ~~[(15)]~~ (16)(a)(ii):  
2402           (i) shall comply with each provision of this section; and  
2403           (ii) is not required to comply with the provisions of Section [32B-6-205](#).  
2404           Section 24. Section **32B-6-406** is amended to read:  
2405           **32B-6-406. Specific operational requirements for a bar establishment license.**  
2406           (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2407 Requirements, a bar establishment licensee and staff of the bar establishment licensee shall  
2408 comply with this section.  
2409           (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action

2410 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2411 (i) a bar establishment licensee;

2412 (ii) individual staff of a bar establishment licensee; or

2413 (iii) both a bar establishment licensee and staff of the bar establishment licensee.

2414 (2) In addition to complying with Subsection 32B-5-301(3), a bar licensee shall display

2415 in a conspicuous place at the entrance to the licensed premises a sign that:

2416 (a) measures at least 8-1/2 inches long and 11 inches wide; and

2417 (b) clearly states that the bar licensee is a bar and that no one under 21 years of age is

2418 allowed.

2419 (3) (a) In addition to complying with Section 32B-5-302, a bar establishment licensee

2420 shall maintain for a minimum of three years:

2421 (i) a record required by Section 32B-5-302; and

2422 (ii) a record maintained or used by the bar establishment licensee, as the department

2423 requires.

2424 (b) Section 32B-1-205 applies to a record required to be made, maintained, or used in

2425 accordance with this Subsection (3).

2426 (c) The department shall audit the records of a bar establishment licensee at least once

2427 annually.

2428 (4) (a) A bar establishment licensee may not sell, offer for sale, or furnish liquor on the

2429 licensed premises on any day during a period that:

2430 (i) begins at 1 a.m.; and

2431 (ii) ends at 9:59 a.m.

2432 (b) A bar establishment licensee may sell, offer for sale, or furnish beer during the

2433 hours specified in Part 7, On-Premise Beer Retailer License, for an on-premise beer retailer

2434 license.

2435 (c) (i) Notwithstanding Subsections (4)(a) and (b), a bar establishment licensee shall

2436 keep its licensed premises open for one hour after the bar establishment licensee ceases the sale

2437 and furnishing of an alcoholic product during which time a patron of the bar establishment

- 2438 licensee may finish consuming:
- 2439 (A) a single drink containing spirituous liquor;
- 2440 (B) a single serving of wine not exceeding five ounces;
- 2441 (C) a single serving of heavy beer;
- 2442 (D) a single serving of beer not exceeding 26 ounces; or
- 2443 (E) a single serving of a flavored malt beverage.
- 2444 (ii) A bar establishment licensee is not required to remain open:
- 2445 (A) after all patrons have vacated the premises; or
- 2446 (B) during an emergency.
- 2447 (5) (a) A minor:
- 2448 (i) may not be admitted into, use, or be in ~~[(i) a lounge or bar area of the premises of:~~
- 2449 ~~(A) an equity licensee; (B) a fraternal licensee; or (C) a dining club licensee; or (ii)]~~ the
- 2450 licensed premises of:
- 2451 (A) a dining club licensee unless accompanied by an individual who is 21 years of age
- 2452 or older; or
- 2453 (B) a bar licensee, except to the extent provided for under Section [32B-6-406.1](#)[-];
- 2454 (ii) may only be admitted into, use, or be in the lounge or bar area of an equity
- 2455 licensee's or fraternal licensee's licensed premises:
- 2456 (A) when accompanied by an individual who is 21 years of age or older; and
- 2457 (B) momentarily while en route to another area of the licensee's premises; and
- 2458 (iii) may not remain or sit in the lounge or bar area of an equity licensee's or fraternal
- 2459 licensee's licensed premises.
- 2460 (b) Notwithstanding Section [32B-5-308](#), a bar establishment licensee may not employ a
- 2461 minor to:
- 2462 (i) work in a lounge or bar area of an equity licensee, fraternal licensee, or dining club
- 2463 licensee; or
- 2464 (ii) handle an alcoholic product.
- 2465 (c) Notwithstanding Section [32B-5-308](#), a minor may not be employed on the licensed



2466 premises of a bar licensee.

2467 (d) Nothing in this part or Section 32B-5-308 precludes a local authority from being  
2468 more restrictive of a minor's admittance to, use of, or presence on the licensed premises of a bar  
2469 establishment licensee.

2470 (6) A bar establishment licensee shall have food available at all times when an  
2471 alcoholic product is sold, offered for sale, furnished, or consumed on the licensed premises.

2472 (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have  
2473 more than two alcoholic products of any kind at a time before the patron.

2474 (b) A patron may not have two spirituous liquor drinks before the bar establishment  
2475 licensee patron if one of the spirituous liquor drinks consists only of the primary spirituous  
2476 liquor for the other spirituous liquor drink.

2477 (c) An individual portion of wine is considered to be one alcoholic product under  
2478 Subsection (7)(a).

2479 (8) A bar establishment licensee shall have available on the premises for a patron to  
2480 review at the time that the patron requests it, a written alcoholic product price list or a menu  
2481 containing the price of an alcoholic product sold, offered for sale, or furnished by the bar  
2482 establishment licensee including:

2483 (a) a set-up charge;

2484 (b) a service charge; or

2485 (c) a chilling fee.

2486 (9) Subject to Section 32B-5-309, a bar establishment licensee may not temporarily  
2487 rent or otherwise temporarily lease its premises to a person unless:

2488 (a) the person to whom the bar establishment licensee rents or leases the premises  
2489 agrees in writing to comply with this title as if the person is the bar establishment licensee,  
2490 except for a requirement related to making or maintaining a record; and

2491 (b) the bar establishment licensee takes reasonable steps to ensure that the person  
2492 complies with this section as provided in Subsection (9)(a).

2493 (10) If a bar establishment licensee is an equity licensee or fraternal licensee, the bar

2494 establishment licensee shall comply with Section 32B-6-407.

2495 (11) If a bar establishment licensee is a dining club licensee or bar licensee, the bar  
2496 establishment licensee shall comply with Section 32B-1-407.

2497 (12) (a) A bar establishment licensee shall own or lease premises suitable for the bar  
2498 establishment licensee's activities.

2499 (b) A bar establishment licensee may not maintain licensed premises in a manner that  
2500 barricades or conceals the bar establishment licensee's operation.

2501 Section 25. Section 32B-6-603 is amended to read:

2502 **32B-6-603. Commission's power to issue on-premise banquet license -- Contracts**  
2503 **as host.**

2504 (1) (a) Before a person may store, sell, offer for sale, furnish, or allow the consumption  
2505 of an alcoholic product in connection with the person's banquet and room service activities at  
2506 one of the following, the person shall first obtain an on-premise banquet license in accordance  
2507 with this part:

2508 (i) a hotel;

2509 (ii) a resort facility;

2510 (iii) a sports center;

2511 (iv) a convention center; ~~or~~

2512 (v) a performing arts facility~~[-];~~ or

2513 (vi) an arena.

2514 (b) This part does not prohibit an alcoholic product on the premises of a person listed  
2515 in Subsection (1)(a) to the extent otherwise permitted by this title.

2516 (c) This section does not prohibit a person who applies for an on-premise banquet  
2517 license to also apply for a package agency if otherwise qualified.

2518 (2) The commission may issue an on-premise banquet license to establish on-premise  
2519 banquet licensees in the numbers the commission considers proper for the storage, sale, offer  
2520 for sale, furnishing, and consumption of an alcoholic product at a banquet or as part of room  
2521 service activities operated by an on-premise banquet licensee.

2522 (3) Subject to Section [32B-1-201](#), the commission may not issue a total number of  
2523 on-premise banquet licenses that at any time exceed the number determined by dividing the  
2524 population of the state by 28,765.

2525 (4) Pursuant to a contract between the host of a banquet and an on-premise banquet  
2526 licensee:

2527 (a) the host of the banquet may request an on-premise banquet licensee to provide an  
2528 alcoholic product served at the banquet; and

2529 (b) an on-premise banquet licensee may provide an alcoholic product served at the  
2530 banquet.

2531 (5) At a banquet, an on-premise banquet licensee may furnish an alcoholic product:

2532 (a) without charge to a patron at a banquet, except that the host of the banquet shall pay  
2533 for an alcoholic product furnished at the banquet; or

2534 (b) with a charge to a patron at the banquet.

2535 (6) To be licensed as an on-premise banquet, a person shall maintain at least 50% of  
2536 the person's total annual banquet gross receipts from the sale of food, which does not include:

2537 (a) mix for an alcoholic product; or

2538 (b) a charge in connection with the furnishing of an alcoholic product.

2539 Section 26. Section **32B-6-605** is amended to read:

2540 **32B-6-605. Specific operational requirements for on-premise banquet license.**

2541 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2542 Requirements, an on-premise banquet licensee and staff of the on-premise banquet licensee  
2543 shall comply with this section.

2544 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2545 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2546 (i) an on-premise banquet licensee;

2547 (ii) individual staff of an on-premise banquet licensee; or

2548 (iii) both an on-premise banquet licensee and staff of the on-premise banquet licensee.

2549 (2) An on-premise banquet licensee shall comply with Subsections [32B-5-301](#)(4) and

2550 (5) for the entire premises of the hotel, resort facility, sports center, convention center, or  
2551 performing arts facility that is the basis for the on-premise banquet license.

2552 (3) (a) For the purpose described in Subsection (3)(b), an on-premise banquet licensee  
2553 shall provide the department with advance notice of a scheduled banquet in accordance with  
2554 rules made by the commission.

2555 (b) Any of the following may conduct a random inspection of a banquet:

2556 (i) an authorized representative of the commission or the department; or

2557 (ii) a law enforcement officer.

2558 (4) (a) An on-premise banquet licensee is not subject to Section 32B-5-302, but shall  
2559 make and maintain the records the commission or department requires.

2560 (b) Section 32B-1-205 applies to a record required to be made or maintained in  
2561 accordance with this Subsection (4).

2562 (5) (a) Except as otherwise provided in this title, an on-premise banquet licensee may  
2563 sell, offer for sale, or furnish an alcoholic product at a banquet only for consumption at the  
2564 location of the banquet.

2565 (b) Except as provided in [~~Subsection~~] Subsections 32B-5-307(4) and (5), a host of a  
2566 banquet, a patron, or a person other than the on-premise banquet licensee or staff of the  
2567 on-premise banquet licensee, may not remove an alcoholic product from the premises of the  
2568 banquet.

2569 (c) Notwithstanding Subsection 32B-5-307(3) and except as provided in [~~Subsection~~]  
2570 Subsections 32B-5-307(4) and (5), a patron at a banquet may not bring an alcoholic product  
2571 into or onto, or remove an alcoholic product from, the premises of a banquet.

2572 (6) (a) An on-premise banquet licensee may not leave an unsold alcoholic product at  
2573 the banquet following the conclusion of the banquet.

2574 (b) At the conclusion of a banquet, an on-premise banquet licensee shall:

2575 (i) destroy an opened and unused alcoholic product that is not saleable, under  
2576 conditions established by the department; and

2577 (ii) return to the on-premise banquet licensee's approved locked storage area any:

- 2578 (A) opened and unused alcoholic product that is saleable; and  
2579 (B) unopened container of an alcoholic product.  
2580 (c) Except as provided in Subsection (6)(b) with regard to an open or sealed container  
2581 of an alcoholic product not sold or consumed at a banquet, an on-premise banquet licensee:  
2582 (i) shall store the alcoholic product in the on-premise banquet licensee's approved  
2583 locked storage area; and  
2584 (ii) may use the alcoholic product at more than one banquet.  
2585 (7) Notwithstanding Section [32B-5-308](#), an on-premise banquet licensee may not  
2586 employ a minor to sell, furnish, or dispense an alcoholic product in connection with the  
2587 on-premise banquet licensee's banquet and room service activities.  
2588 (8) An on-premise banquet licensee:  
2589 (a) may provide room service in portions described in Section [32B-5-304](#); [~~and~~]  
2590 (b) may not sell, offer for sale, or furnish an alcoholic product at a banquet or in  
2591 connection with room service any day during a period that:  
2592 (i) begins at 1 a.m.; and  
2593 (ii) ends at 9:59 a.m.; and  
2594 (c) notwithstanding Section [32B-5-305](#), may provide as room service one alcoholic  
2595 product free of charge per guest reservation, per guest room, if the alcoholic product:  
2596 (i) is not a spirituous liquor; and  
2597 (ii) is in an unopened container not to exceed 750 milliliters.  
2598 (9) (a) Subject to the other provisions of this Subsection (9), a patron may not have  
2599 more than two alcoholic products of any kind at a time before the patron.  
2600 (b) A patron may not have more than one spirituous liquor drink at a time before the  
2601 patron.  
2602 (c) An individual portion of wine is considered to be one alcoholic product under  
2603 Subsection (9)(a).  
2604 (10) (a) An on-premise banquet licensee shall supervise and direct a person involved in  
2605 the sale, offer for sale, or furnishing of an alcoholic product.

2606 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
2607 shall complete an alcohol training and education seminar.

2608 (11) A staff person of an on-premise banquet licensee shall remain at the banquet at all  
2609 times when an alcoholic product is sold, offered for sale, furnished, or consumed at the  
2610 banquet.

2611 (12) (a) Room service of an alcoholic product to a guest room of a hotel or resort  
2612 facility shall be provided in person by staff of an on-premise banquet licensee only to an adult  
2613 guest in the guest room.

2614 (b) An alcoholic product may not be left outside a guest room for retrieval by a guest.

2615 (13) An on-premise banquet licensee may not maintain a minibar.

2616 Section 27. Section **32B-6-702** is amended to read:

2617 **32B-6-702. Definitions.**

2618 As used in this part~~["recreational"]~~:

2619 (1) "Commission-approved activity" means a leisure activity that:

2620 (a) the commission approves by rule made in accordance with Title 63G, Chapter 3,  
2621 Utah Administrative Rulemaking Act; and

2622 (b) does not involve the use of a dangerous weapon.

2623 (2) (a) "Recreational amenity" means:

2624 [~~1~~] (i) a billiard parlor;

2625 [~~2~~] (ii) a pool parlor;

2626 [~~3~~] (iii) a bowling facility;

2627 [~~4~~] (iv) a golf course;

2628 [~~5~~] (v) miniature golf;

2629 [~~6~~] (vi) a golf driving range;

2630 [~~7~~] (vii) a tennis club;

2631 [~~8~~] (viii) a sports facility that hosts professional sporting events and has a seating  
2632 capacity equal to or greater than 6,500;

2633 [~~9~~] (ix) a concert venue that has a seating capacity equal to or greater than 6,500;

2634            [~~(10)~~] (x) one of the following if owned by a government agency:  
2635            [~~(a)~~] (A) a convention center;  
2636            [~~(b)~~] (B) a fair facility;  
2637            [~~(c)~~] (C) an equestrian park;  
2638            [~~(d)~~] (D) a theater; or  
2639            [~~(e)~~] (E) a concert venue;  
2640            [~~(11)~~] (xi) an amusement park:  
2641            [~~(a)~~] (A) with one or more permanent amusement rides; and  
2642            [~~(b)~~] (B) located on at least 50 acres;  
2643            [~~(12)~~] (xii) a ski resort;  
2644            [~~(13)~~] (xiii) a venue for live entertainment if the venue:  
2645            [~~(a)~~] (A) is not regularly open for more than five hours on any day;  
2646            [~~(b)~~] (B) is operated so that food is available whenever beer is sold, offered for sale, or  
2647 furnished at the venue; and  
2648            [~~(c)~~] (C) is operated so that no more than 15% of its total annual receipts are from the  
2649 sale of beer; [~~or~~]  
2650            [~~(14)~~] (xiv) concessions operated within the boundary of a park administered by the:  
2651            [~~(a)~~] (A) Division of Parks and Recreation; or  
2652            [~~(b)~~] (B) National Parks Service[-];  
2653            (xv) a facility or venue that is a recreational amenity for a person licensed under this  
2654 part before May 12, 2020;  
2655            (xvi) a venue for karaoke; or  
2656            (xvii) an enterprise developed around a commission-approved activity.  
2657            (b) "Recreational amenity" does not include an item described in Subsection (2)(a), if  
2658 the item is tangential to an enterprise or activity that is not included in Subsection (2)(a).  
2659            Section 28. Section **32B-6-803** is amended to read:  
2660            **32B-6-803. Commission's power to issue reception center license.**  
2661            (1) Before a person may store, sell, offer for sale, or furnish an alcoholic product on

2662 [its] the person's premises as a reception center, the person shall first obtain a reception center  
2663 license from the commission in accordance with this part.

2664 (2) The commission may issue a reception center license to establish reception center  
2665 licensed premises at places and in numbers the commission considers proper for the storage,  
2666 sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated  
2667 as a reception center.

2668 (3) Subject to Section [32B-1-201](#), the commission may not issue a total number of  
2669 reception center licenses that at any time exceeds the number determined by dividing the  
2670 population of the state by 251,693.

2671 (4) The commission may not issue a reception center license for premises that do not  
2672 meet the proximity requirements of Section [32B-1-202](#).

2673 (5) (a) To be licensed as a reception center, a person ~~[may not maintain in excess of~~  
2674 ~~30% of its total annual receipts from the sale of an alcoholic product, which includes]~~ shall  
2675 maintain at least 50% of the person's total annual gross receipts from the sale of food, which  
2676 does not include:

2677 (i) mix for an alcoholic product; or

2678 (ii) a charge in connection with the furnishing of an alcoholic product.

2679 (b) A reception center licensee shall report the information necessary to show  
2680 compliance with this Subsection (5) to the department on an annual basis.

2681 Section 29. Section **32B-6-805** is amended to read:

2682 **32B-6-805. Specific operational requirements for a reception center license.**

2683 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2684 Requirements, a reception center licensee and staff of the reception center licensee shall  
2685 comply with this section.

2686 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2687 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2688 (i) a reception center licensee;

2689 (ii) individual staff of a reception center licensee; or



- 2690 (iii) both a reception center licensee and staff of the reception center licensee.
- 2691 (2) In addition to complying with Section [32B-5-303](#), a reception center licensee shall
- 2692 store an alcoholic product in a storage area described in Subsection (14)(a).
- 2693 (3) (a) For the purpose described in Subsection (3)(b), a reception center licensee shall
- 2694 provide the following with advance notice of a scheduled event in accordance with rules made
- 2695 by the commission:
- 2696 (i) the department; and
- 2697 (ii) the local law enforcement agency responsible for the enforcement of this title in the
- 2698 jurisdiction where the reception center is located.
- 2699 (b) Any of the following may conduct a random inspection of an event:
- 2700 (i) an authorized representative of the commission or the department; or
- 2701 (ii) a law enforcement officer.
- 2702 (4) (a) Except as otherwise provided in this title, a reception center licensee may sell,
- 2703 offer for sale, or furnish an alcoholic product at an event only for consumption at the reception
- 2704 center's licensed premises.
- 2705 (b) A host of an event, a patron, or a person other than the reception center licensee or
- 2706 staff of the reception center licensee, may not remove an alcoholic product from the reception
- 2707 center's licensed premises.
- 2708 (c) Notwithstanding Section [32B-5-307](#), a patron at an event may not bring an
- 2709 alcoholic product into or onto, or remove an alcoholic product from, the reception center.
- 2710 (5) (a) A reception center licensee may not leave an unsold alcoholic product at an
- 2711 event following the conclusion of the event.
- 2712 (b) At the conclusion of an event, a reception center licensee shall:
- 2713 (i) destroy an opened and unused alcoholic product that is not saleable, under
- 2714 conditions established by the department; and
- 2715 (ii) return to the reception center licensee's approved locked storage area any:
- 2716 (A) opened and unused alcoholic product that is saleable; and
- 2717 (B) unopened container of an alcoholic product.

2718 (c) Except as provided in Subsection (5)(b) with regard to an open or sealed container  
2719 of an alcoholic product not sold or consumed at an event, a reception center licensee:

2720 (i) shall store the alcoholic product in accordance with Subsection (2); and

2721 (ii) may use the alcoholic product at more than one event.

2722 (6) Notwithstanding Section [32B-5-308](#), a reception center licensee may not employ a  
2723 minor in connection with an event at the reception center at which food is not made available.

2724 (7) A person's willingness to serve an alcoholic product may not be made a condition  
2725 of employment as a server with a reception center licensee.

2726 (8) A reception center licensee may not sell, offer for sale, or furnish an alcoholic  
2727 product at the licensed premises on any day during the period that:

2728 (a) begins at 1 a.m.; and

2729 (b) ends at 9:59 a.m.

2730 (9) A reception center licensee may not sell, offer for sale, or furnish an alcoholic  
2731 product at an event at which a minor is present unless the reception center licensee makes food  
2732 available at all times when an alcoholic product is sold, offered for sale, furnished, or  
2733 consumed during the event.

2734 (10) (a) Subject to the other provisions of this Subsection (10), a patron may not have  
2735 more than two alcoholic products of any kind at a time before the patron.

2736 (b) An individual portion of wine is considered to be one alcoholic product under  
2737 Subsection (10)(a).

2738 (11) (a) A reception center licensee shall supervise and direct a person involved in the  
2739 sale, offer for sale, or furnishing of an alcoholic product.

2740 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
2741 shall complete an alcohol training and education seminar.

2742 (12) A staff person of a reception center licensee shall remain at an event at all times  
2743 when an alcoholic product is sold, offered for sale, furnished, or consumed at the event.

2744 (13) A reception center licensee may not sell, offer for sale, or furnish an alcoholic  
2745 product to a patron, and a patron may not consume an alcoholic product at a bar structure.

2746 (14) Except as provided in Subsection (15), a reception center licensee may dispense  
2747 an alcoholic product only if:

2748 (a) the alcoholic product is dispensed from an area that is:

2749 (i) separated from an area for the consumption of food by a patron by a solid,  
2750 translucent, permanent structural barrier such that the facilities for the storage or dispensing of  
2751 an alcoholic product are:

2752 (A) not readily visible to a patron; and

2753 (B) not accessible by a patron; and

2754 (ii) apart from an area used:

2755 (A) for staging; or

2756 (B) as a lobby or waiting area;

2757 (b) the reception center licensee uses an alcoholic product that is:

2758 (i) stored in an area described in Subsection (14)(a); or

2759 (ii) in an area not described in Subsection (14)(a) on the licensed premises and:

2760 (A) immediately before the alcoholic product is dispensed it is in an unopened  
2761 container;

2762 (B) the unopened container is taken to an area described in Subsection (14)(a) before it  
2763 is opened; and

2764 (C) once opened, the container is stored in an area described in Subsection (14)(a); and

2765 (c) any instrument or equipment used to dispense an alcoholic product is located in an  
2766 area described in Subsection (14)(a).

2767 (15) A reception center licensee may dispense an alcoholic product from a mobile  
2768 serving area that:

2769 (a) is moved only by staff of the reception center licensee;

2770 (b) is capable of being moved by only one individual; and

2771 (c) is no larger than 6 feet long and 30 inches wide.

2772 (16) (a) A reception center licensee may not have an event on the licensed premises

2773 [~~except~~] unless the event:

2774 (i) is pursuant to a contract between a third party host of the event and the reception  
2775 center licensee under which the reception center licensee provides an alcoholic product sold,  
2776 offered for sale, or furnished at an event[-]; or

2777 (ii) is a private event.

2778 (b) At an event, a reception center licensee may furnish an alcoholic product:

2779 (i) without charge to a patron, except that the third party host of the event shall pay for  
2780 an alcoholic product furnished at the event; or

2781 (ii) with a charge to a patron at the event.

2782 (c) The commission may by rule define what constitutes a "third-party host" for  
2783 purposes of this Subsection (16) so that a reception center licensee and the third-party host are  
2784 not owned by or operated by the same persons, except that the rule shall permit a reception  
2785 center licensee to host an event for an immediate family member of the reception center  
2786 licensee.

2787 (17) A reception center licensee shall have culinary facilities that are:

2788 (a) adequate to prepare a full meal; and

2789 (b) (i) located on the licensed premises; or

2790 (ii) under the same control as the reception center licensee.

2791 (18) (a) Except as provided in Subsection (18)(b), a reception center licensee may not  
2792 operate an event:

2793 (i) that is open to the general public; and

2794 (ii) at which an alcoholic product is sold or offered for sale.

2795 (b) A reception center licensee may operate an event described in Subsection (18)(a) if  
2796 the event is hosted:

2797 (i) at the reception center no more frequently than once a calendar year; and

2798 (ii) by a nonprofit organization that is organized and qualified under Section 501(c),  
2799 Internal Revenue Code.

2800 Section 30. Section **32B-6-1001** is enacted to read:

2801 **Part 10. Hospitality Amenity License**

2802 **32B-6-1001. Hospitality Amenity License.**

2803 This part is known as "Hospitality Amenity License."

2804 Section 31. Section **32B-6-1002** is enacted to read:

2805 **32B-6-1002. Definitions.**

2806 As used in this part:

2807 (1) "Hospitality guest" means an individual:

2808 (a) (i) who is a resident of a resort;

2809 (ii) for whom a resident of a resort provides lodging accommodations for

2810 compensation;

2811 (iii) for whom a hotel provides lodging accommodations for compensation; or

2812 (iv) for whom a resort provides lodging accommodations for compensation; and

2813 (b) who is at least 21 years of age.

2814 (2) "Boundary of a hotel" means the physical boundary of one or more contiguous

2815 parcels of real property owned or managed by the same person and on which a hotel is located.

2816 (3) "Boundary of a resort building" means the same as that term is defined in Section

2817 [32B-8-102.](#)

2818 (4) "Hotel" means a commercial lodging establishment that offers at least 40 rooms as

2819 temporary sleeping accommodations for compensation.

2820 Section 32. Section **32B-6-1003** is enacted to read:

2821 **32B-6-1003. Commission's power to issue hospitality amenity license.**

2822 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of

2823 an alcoholic product on the person's premises as a hospitality amenity licensee, the person shall

2824 first obtain a hospitality amenity license from the commission in accordance with this part.

2825 (2) (a) The commission may only issue a hospitality amenity license to a hotel or a

2826 resort.

2827 (b) Beginning November 1, 2020, the commission may issue a hospitality amenity

2828 license to establish hospitality amenity licensed premises at places and in numbers the

2829 commission considers proper for the storage, sale, offer for sale, furnishing, and consumption

2830 of alcoholic products on premises operated as a hospitality amenity licensee.

2831 (3) The commission may authorize the sale of an alcoholic product at as many as three  
2832 hospitality amenity locations within the boundary of a hotel or the boundary of a resort building  
2833 under one hospitality amenity license if:

2834 (a) the hotel or resort has a minimum of 150 rooms for temporary sleeping  
2835 accommodations; and

2836 (b) the commission determines the location, design, and construction of the hotel or  
2837 resort requires more than one hospitality amenity location within the hotel or resort to serve the  
2838 public convenience.

2839 (4) Except as otherwise provided in Section 32B-1-202, the commission may not issue  
2840 a hospitality amenity license for premises that do not meet the proximity requirements of  
2841 Subsection 32B-1-202(2).

2842 Section 33. Section 32B-6-1004 is enacted to read:

2843 **32B-6-1004. Specific licensing requirements for a hospitality amenity license.**

2844 (1) To obtain a hospitality amenity license a person shall comply with Chapter 5, Part  
2845 2, Retail Licensing Process.

2846 (2) (a) A hospitality amenity license expires on October 31 of each year.

2847 (b) To renew a person's hospitality amenity license, a person shall comply with the  
2848 renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than  
2849 September 30.

2850 (3) (a) The nonrefundable application fee for a hospitality amenity license is \$330.

2851 (b) The initial license fee for a hospitality amenity license is \$2,000.

2852 (c) The renewal fee for a hospitality amenity license is \$1,000.

2853 (4) The bond amount required for a hospitality amenity license is the penal sum of  
2854 \$10,000.

2855 (5) Notwithstanding Subsection 32B-5-303(3), the department may approve an  
2856 additional location in or on the licensed premises of a hospitality amenity licensee from which  
2857 the hospitality amenity licensee may store, sell, offer for sale, furnish, or allow the

2858 consumption of an alcoholic product that is not included in the person's original application  
2859 only:

2860 (a) upon proper application by a hospitality amenity licensee; and

2861 (b) in accordance with guidelines the commission approves.

2862 Section 34. Section **32B-6-1005** is enacted to read:

2863 **32B-6-1005. Specific operational requirements for hospitality amenity license.**

2864 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
2865 Requirements, a hospitality amenity licensee and staff of the hospitality amenity licensee shall  
2866 comply with this section.

2867 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
2868 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2869 (i) the hospitality amenity licensee;

2870 (ii) individual staff of the hospitality amenity licensee; or

2871 (iii) both the hospitality amenity licensee and staff of the hospitality amenity licensee.

2872 (2) (a) A hospitality amenity licensee may sell, offer for sale, or furnish an alcoholic  
2873 product:

2874 (i) to a hospitality guest; and

2875 (ii) for consumption in or on the hospitality amenity licensee's licensed premises.

2876 (b) (i) A hospitality amenity licensee may sell, offer for sale, or furnish an alcoholic  
2877 product that is not spirituous liquor in or on:

2878 (A) licensed premises physically separated from an area to which a hospitality guest or  
2879 the public has access by a permanent or temporary structure or barrier; or

2880 (B) licensed premises described in Subsection (2)(b)(ii).

2881 (ii) A hospitality amenity licensee may sell, offer for sale, or furnish spirituous liquor  
2882 in or on licensed premises that:

2883 (A) allows access only through the use of a key or code; and

2884 (B) fills the entirety of a physically and permanently enclosed area within the hotel or  
2885 resort.

- 2886 (c) Spirituous liquor may not be in or on the licensed premises described in Subsection  
2887 (2)(b)(i)(A) of a hospitality amenity licensee, except for use:  
2888 (i) as a flavoring on a dessert; and  
2889 (ii) in the preparation of a flaming food dish or dessert.  
2890 (d) A hospitality amenity licensee may not allow self-service of an alcoholic product in  
2891 or on the hospitality amenity licensee's licensed premises.  
2892 (3) (a) Subject to Subsections (3)(b) and (c), a hospitality guest may not have more  
2893 than two alcoholic products of any kind at a time before the hospitality guest.  
2894 (b) A hospitality guest may not have more than one spirituous liquor drink at a time  
2895 before the hospitality guest.  
2896 (c) An individual portion of wine is considered to be one alcoholic product under  
2897 Subsection (3)(a).  
2898 (4) A hospitality amenity licensee shall make food available at all times that the  
2899 licensee sells, offers for sale, furnishes, or allows the consumption of an alcoholic product on  
2900 the licensed premises.  
2901 (5) (a) A hospitality amenity licensee may not sell, offer for sale, or furnish an  
2902 alcoholic product any day during a period that:  
2903 (i) begins at 1:00 a.m.; and  
2904 (ii) ends at 9:59 a.m.  
2905 (b) A hospitality amenity licensee shall remain open for one hour after the licensee  
2906 ceases to sell and furnish an alcoholic product, during which time a hospitality guest in or on  
2907 the hospitality amenity licensed premises may finish consuming:  
2908 (i) a single drink containing spirituous liquor;  
2909 (ii) a single serving of wine not exceeding five ounces;  
2910 (iii) a single serving of heavy beer;  
2911 (iv) a single serving of beer not exceeding 26 ounces; or  
2912 (v) a single serving of a flavored malt beverage.  
2913 (c) A hospitality amenity licensee is not required to remain open:



2914 (i) after all individuals have vacated the licensee's licensed premises; or  
2915 (ii) during an emergency.  
2916 (6) (a) Notwithstanding Section 32B-5-305, a hospitality amenity licensee may provide  
2917 a hospitality guest up to two single servings of an alcoholic product free of charge or at a  
2918 reduced rate, if:  
2919 (i) the alcoholic product is not a spirituous liquor; and  
2920 (ii) the hospitality amenity licensee offers the alcohol product:  
2921 (A) to all hospitality guests;  
2922 (B) during a specific time; and  
2923 (C) on the hospitality amenity licensee's licensed premises.  
2924 (b) Before a hospitality amenity licensee provides an alcoholic product free of charge  
2925 or at a reduced rate as described in Subsection (6)(a), the licensee shall provide the department  
2926 with advance notice of the event, in accordance with commission rules that permit a licensee to  
2927 provide a single notice for a reoccurring event or multiple events.  
2928 (7) A hospitality amenity licensee may permit a hospitality guest to purchase an  
2929 alcoholic product through a charge to the hospitality guest's lodging accommodations.  
2930 (8) (a) A hospitality guest, or a person other than the hospitality amenity licensee or  
2931 staff of the hospitality amenity licensee, may not remove an alcoholic product from the  
2932 hospitality amenity licensee's licensed premises.  
2933 (b) Notwithstanding Subsection 32B-5-307(3), a hospitality guest may not bring an  
2934 alcoholic product within the hospitality amenity licensee's licensed premises.  
2935 (9) A hospitality amenity licensee shall display at each entrance to the licensee's  
2936 licensed premises a conspicuous sign that:  
2937 (a) measures at least 8-1/2 inches long and 11 inches wide; and  
2938 (b) clearly states that entry is limited to individuals who are hospitality guests, as  
2939 defined in this title.  
2940 (10) A hospitality amenity licensee may not permit a minor to enter the licensee's  
2941 licensed premises at any time during which an alcoholic product is sold, offered for sale,

2942 furnished, or consumed, unless the minor is accompanied at all times on the licensed premises  
2943 by a hospitality guest.

2944 (11) A staff person of a hospitality amenity licensee shall remain on the licensed  
2945 premises at all times when an alcoholic product is sold, offered for sale, furnished, or  
2946 consumed in or on the licensed premises.

2947 (12) A hospitality amenity licensee may transfer an alcoholic product to or from  
2948 another licensee within the boundary of the hotel or within the boundary of the resort building,  
2949 if:

2950 (a) the hospitality amenity licensee and each licensee involved in the transfer tracks the  
2951 transfer of the alcoholic product; and

2952 (b) the alcoholic product is in a sealed, unopened container.

2953 (13) (a) In addition to the requirements described in Section [32B-5-302](#), a hospitality  
2954 amenity licensee shall maintain each of the following records for at least three years:

2955 (i) a record required under Section [32B-5-302](#); and

2956 (ii) a record that the commission requires a hospitality amenity licensee to use or  
2957 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative  
2958 Rulemaking Act.

2959 (b) The department shall audit the records of a hospitality amenity licensee at least  
2960 once each calendar year.

2961 Section 35. Section **32B-7-409** is enacted to read:

2962 **32B-7-409. Multiple licenses on same premises.**

2963 (1) Except as provided in Subsection (2), the commission may not issue and one or  
2964 more licensees may not hold an off-premise beer retailer state license for the same licensed  
2965 premises or adjacent licensed premises as a retail licensee, unless the licensed premises:

2966 (a) are separated by a permanent, opaque, floor-to-ceiling wall;

2967 (b) each have a separate entrance to the licensed premises; and

2968 (c) each have separate restroom facilities on the licensed premises.

2969 (2) The commission may issue and an off-premise beer retailer state licensee may hold

2970 more than one type of license for the same licensed premises or adjacent licensed premises, if:

2971 (a) a manufacturing licensee is located on or adjacent to the licensed premises; and

2972 (b) a package agency is located on or adjacent to the licensed premises.

2973 Section 36. Section **32B-8-102** is amended to read:

2974 **32B-8-102. Definitions.**

2975 As used in this chapter:

2976 (1) "Boundary of a resort building" means the physical boundary of the ~~[land]~~ real  
 2977 property reasonably related to a resort building and any structure or improvement to that land  
 2978 as determined by the commission.

2979 (2) "Dwelling" means a portion of a resort building:

2980 (a) owned by one or more individuals;

2981 (b) that is used or designated for use as a residence by one or more persons; and

2982 (c) that may be rented, loaned, leased, or hired out for a period of no longer than 30  
 2983 consecutive days by a person who uses it for a residence.

2984 (3) "Engaged in the management of the resort" may be defined by the commission by  
 2985 rule.

2986 ~~[(4) "Invitee" means an individual who in accordance with Subsection 32B-8-304 (11)~~  
 2987 ~~is authorized to use a resort spa by a host who is:]~~

2988 ~~[(a) a resident; or]~~

2989 ~~[(b) a public customer.]~~

2990 ~~[(5) "Provisions applicable to a sublicense" means:]~~

2991 ~~[(a) for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant~~  
 2992 ~~License;]~~

2993 ~~[(b) for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service~~  
 2994 ~~Restaurant License;]~~

2995 ~~[(c) for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;]~~

2996 ~~[(d) for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet~~  
 2997 ~~License;]~~

2998            [~~(e)~~ for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer  
2999   Retailer License; and]  
3000            [~~(f)~~ for a resort spa sublicense, Part 3, Resort Spa Sublicense.]  
3001            [~~(6)~~ "Public customer" means an individual who holds a customer card in accordance  
3002   with Subsection ~~32B-8-304~~(12).]  
3003            [~~(7)~~ (4) "Resident" means an individual who:  
3004            (a) owns a dwelling located within a resort building; or  
3005            (b) rents lodging accommodations for 30 consecutive days or less from:  
3006            (i) an owner of a dwelling described in Subsection [~~(7)~~] (4)(a); or  
3007            (ii) the resort licensee.  
3008            [~~(8)~~ (5) "Resort" means a location:  
3009            (a) on which is located one resort building; and  
3010            (b) that is affiliated with a ski area that physically touches the boundary of the resort  
3011   building.  
3012            [~~(9)~~ (6) "Resort building" means a building:  
3013            (a) that is primarily operated to provide dwellings or lodging accommodations;  
3014            (b) that has at least 150 units that consist of a dwelling or lodging accommodations;  
3015            (c) that consists of at least 400,000 square feet:  
3016            (i) including only the building itself; and  
3017            (ii) not including areas such as above ground surface parking; and  
3018            (d) of which at least 50% of the units described in Subsection [~~(9)~~] (6)(b) consist of  
3019   dwellings owned by a person other than the resort licensee.  
3020            [~~(10)~~ "Resort spa" means a spa, as defined by rule by the commission, that is within the  
3021   boundary of a resort building.]  
3022            [~~(11)~~ "Sublicense" means:]  
3023            [~~(a)~~ a full-service restaurant sublicense;]  
3024            [~~(b)~~ a limited-service restaurant sublicense;]  
3025            [~~(c)~~ a bar establishment sublicense;]

3026 ~~[(d) an on-premise banquet sublicense;]~~

3027 ~~[(e) an on-premise beer retailer sublicense; and]~~

3028 ~~[(f) a resort spa sublicense.]~~

3029 ~~[(12) "Sublicense premises" means a building, enclosure, or room used pursuant to a~~  
3030 ~~sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic~~  
3031 ~~product, unless otherwise defined in this title or in the rules made by the commission.]~~

3032 Section 37. Section **32B-8-201** is amended to read:

3033 **32B-8-201. Commission's power to issue a resort license.**

3034 (1) Before a person as a resort under a single license may store, sell, offer for sale,  
3035 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person  
3036 shall first obtain a resort license from the commission in accordance with this part.

3037 (2) (a) The commission may issue to a person a resort license to allow the storage, sale,  
3038 offer for sale, furnishing, and consumption of an alcoholic product in connection with a resort  
3039 designated in the resort license if the person operates at least four sublicenses under the resort  
3040 license.

3041 (b) A resort license shall:

3042 (i) consist of:

3043 (A) a general resort license; and

3044 (B) ~~[the]~~ four or more sublicenses; and

3045 (ii) designate the boundary of the resort building.

3046 (c) This chapter does not prohibit an alcoholic product in or on the boundary of the  
3047 resort building to the extent otherwise permitted by this title.

3048 ~~[(d) The commission may not issue a sublicense that is separate from a resort license.]~~

3049 (3) ~~[(a)]~~ The commission may not issue a total number of resort licenses that at any  
3050 time totals more than four.

3051 ~~[(b) Subject to Subsection (3)(c), when determining the total number of licenses the~~  
3052 ~~commission has issued for each type of retail license, the commission may not include a~~  
3053 ~~sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.]~~

3054 ~~[(c) If a resort license issued under this chapter includes a sublicense that before the~~  
3055 ~~issuance of the resort license was a retail licensee under this chapter, the commission shall~~  
3056 ~~include the sublicense as one of the retail licenses issued under the provisions applicable to the~~  
3057 ~~sublicense in determining if the total number of licenses issued under the provisions applicable~~  
3058 ~~to the sublicense exceeds the number calculated by dividing the population of the state by the~~  
3059 ~~number specified in the provisions applicable to the sublicense.]~~

3060 Section 38. Section **32B-8-202** is amended to read:

3061 **32B-8-202. Specific licensing requirements for resort license.**

3062 (1) To obtain a resort license, in addition to complying with Chapter 5, Part 2, Retail  
3063 Licensing Process, a person shall submit with the person's written application:

3064 ~~[(a) the current business license for each sublicense, if the business license is separate~~  
3065 ~~from the person's business license;]~~

3066 ~~[(b)]~~ (a) evidence:

3067 (i) of proximity of the resort building to any community location~~[-with proximity~~  
3068 ~~requirements being governed by Section 32B-1-202];~~

3069 (ii) that each ~~[of the four or more sublicense]~~ proposed sublicensed premises is entirely  
3070 within the boundaries of the resort building; and

3071 (iii) that the building designated in the application as the resort building qualifies as a  
3072 resort building; and

3073 ~~[(c)]~~ (b) a description and boundary map of the resort building~~[:];~~

3074 ~~[(d) a description, floor plan, and boundary map of each sublicense premises~~  
3075 ~~designating:]~~

3076 ~~[(i) any location at which the person proposes that an alcoholic product be stored; and]~~

3077 ~~[(ii) a designated location on the sublicense premises from which the person proposes~~  
3078 ~~that an alcoholic product be sold, furnished, or consumed;]~~

3079 ~~[(e) evidence that the resort license person carries dramshop insurance coverage equal~~  
3080 ~~to the sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both~~  
3081 ~~the general resort license and each sublicense; and]~~

3082           ~~[(f) a signed consent form stating that the person will permit any authorized~~  
3083 ~~representative of the commission, department, or any law enforcement officer to have~~  
3084 ~~unrestricted right to enter the boundary of the resort building and each sublicense premises.]~~

3085           (2) (a) A resort license expires on October 31 of each year.

3086           (b) To renew a person's resort license, the person shall comply with the requirements of  
3087 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

3088           (3) (a) The nonrefundable application fee for a resort license is \$300.

3089           (b) The initial license fee for a resort license is calculated as follows:

3090           (i) ~~[\$10,000]~~ if four sublicenses are being applied for under the resort license, \$10,000;

3091 or

3092           (ii) if more than four sublicenses are being applied for under the resort license, the sum  
3093 of:

3094           (A) \$10,000; and

3095           (B) \$2,000 for each sublicense in excess of four sublicenses for which the person is  
3096 applying.

3097           (c) The renewal fee for a resort license is \$1,000 for each sublicense under the resort  
3098 license.

3099           (4) (a) The bond amount required for a resort license is the penal sum of \$25,000.

3100           (b) A resort licensee is not required to have a separate bond for each sublicense, except  
3101 that the aggregate of the bonds posted by the resort licensee shall cover each sublicense under  
3102 the resort license.

3103           (5) The commission may not issue a resort license for a resort building that does not  
3104 meet the proximity requirements of Section [32B-1-202](#).

3105           (6) In accordance with Subsection [32B-8d-103\(4\)](#), a resort licensee may request to add  
3106 a sublicense after the commission issues the resort licensee's resort license.

3107           Section 39. Section **32B-8-401** is amended to read:

3108           **32B-8-401. Specific operational requirements for resort license.**

3109           (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational

3110 Requirements, a resort licensee, staff of the resort licensee, and a sublicensee or a person  
3111 otherwise operating under a sublicense shall comply with this section.

3112 (b) Subject to Section [32B-8-502](#), failure to comply as provided in Subsection (1)(a)  
3113 may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
3114 Enforcement Act, against:

3115 (i) [~~a~~] the resort licensee;

3116 (ii) individual staff of [~~a~~] the resort licensee;

3117 (iii) a sublicensee or person otherwise operating under a sublicense of the resort  
3118 licensee;

3119 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense  
3120 of the resort licensee; or

3121 (v) any combination of the persons listed in [~~this Subsection (1)(b)~~] Subsections  
3122 (1)(b)(i) through (iv).

3123 (2) (a) A resort licensee may not sell, offer for sale, or furnish an alcoholic product  
3124 except:

3125 (i) on [~~a sublicense~~] sublicensed premises;

3126 (ii) pursuant to a permit issued under this title; or

3127 (iii) under a package agency agreement with the department, subject to Chapter 2, Part  
3128 6, Package Agency.

3129 (b) A resort licensee who sells, offers for sale, or furnishes an alcoholic product as  
3130 provided in Subsection (2)(a), shall sell, offer for sale, or furnish the alcoholic product:

3131 (i) if on a sublicense premises, in accordance with the operational requirements [~~under~~  
3132 ~~the provisions applicable to the sublicense, except as provided in Section [32B-8-402](#)~~] described  
3133 in Section [32B-8d-104](#);

3134 (ii) if under a permit issued under this title, in accordance with the operational  
3135 requirements under the provisions applicable to the permit; and

3136 (iii) if as a package agency, in accordance with the contract with the department and  
3137 Chapter 2, Part 6, Package Agency.



3138            [~~(3)~~] A resort licensee shall comply with Subsections ~~32B-5-301~~(4) and (5) within the  
3139 boundary of the resort building.]

3140            [(4)] (3) A resort licensee shall operate in a manner so that at least 70% of the annual  
3141 aggregate of the gross receipts related to the sale of food or beverages for the resort license and  
3142 each of [its] the resort licensee's sublicenses is from the sale of food, not including:

3143            (a) mix for an alcoholic product; and

3144            (b) a charge in connection with the service of an alcoholic product.

3145            [(5)] (4) (a) A resort licensee shall supervise and direct a person involved in the sale,  
3146 offer for sale, or furnishing of an alcoholic product under a resort license.

3147            (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product  
3148 under a resort license shall complete the alcohol training and education seminar.

3149            [(6)] (5) (a) Room service of an alcoholic product to a lodging accommodation of a  
3150 resort licensee shall be provided in person by staff of [a] the resort licensee only to an adult  
3151 occupant in the lodging accommodation.

3152            (b) An alcoholic product may not be left outside a lodging accommodation for retrieval  
3153 by an occupant.

3154            Section 40. Section **32B-8-501** is amended to read:

3155            **32B-8-501. Enforcement of qualifications for resort license or sublicense.**

3156            (1) The commission or department may not take an action described in Subsection (2)  
3157 with regard to a resort license unless the person who is found not to meet the qualifications of  
3158 [~~Section 32B-8-203~~] Subsection 32B-1-304(1) is one of the following who is engaged in the  
3159 management of the resort:

3160            (a) a partner;

3161            (b) a managing agent;

3162            (c) a manager;

3163            (d) an officer;

3164            (e) a director;

3165            (f) a stockholder who holds at least 20% of the total issued and outstanding stock of the

3166 corporation;

3167 (g) a member who owns at least 20% of the limited liability company; or

3168 (h) a person employed to act in a supervisory or managerial capacity for the resort

3169 licensee.

3170 (2) Subsection (1) applies to:

3171 (a) the commission immediately suspending or revoking a resort license, if after the  
3172 day on which the resort license is issued, a person described in Subsection [~~32B-8-203~~]

3173 32B-1-304(7)(a):

3174 (i) is found to have been convicted of an offense described in Subsection

3175 32B-1-304(1)(a) before the commission issues the resort license [~~is issued~~]; or

3176 (ii) on or after the day on which the commission issues the resort license [~~is issued~~]:

3177 (A) is convicted of an offense described in Subsection 32B-1-304(1)(a)(i) or (ii); or

3178 (B) (I) is convicted of driving under the influence of alcohol, a drug, or the combined  
3179 influence of alcohol and a drug; and

3180 (II) was convicted of driving under the influence of alcohol, a drug, or the combined  
3181 influence of alcohol and a drug within five years before the day on which the person is  
3182 convicted of the offense described in Subsection (2)(b)(ii)(A);

3183 (b) the director taking an emergency action by immediately suspending the operation of  
3184 a resort license in accordance with Title 63G, Chapter 4, Administrative Procedures Act, for  
3185 the period during which the criminal matter is being adjudicated if a person described in  
3186 Subsection [~~32B-8-203~~(1)] 32B-1-304(7):

3187 (i) is arrested on a charge for an offense described in Subsection 32B-1-304(1)(a)(i) or  
3188 (ii); or

3189 (ii) (A) is arrested on a charge for the offense of driving under the influence of alcohol,  
3190 a drug, or the combined influence of alcohol and a drug; and

3191 (B) was convicted of driving under the influence of alcohol, a drug, or the combined  
3192 influence of alcohol and a drug within five years before the day on which the person is arrested  
3193 on a charge described in Subsection (2)(b)(ii)(A); and

3194 (c) the commission suspending or revoking a resort license because a person to whom  
3195 the commission issues a resort license [~~is issued~~] under this chapter no longer possesses the  
3196 qualifications required by this title for obtaining the resort license.

3197 (3) This section does not prevent the commission from suspending or revoking a  
3198 sublicense that is part of a resort license if a person employed to act in a supervisory or  
3199 managerial capacity for a sublicense no longer meets the qualification requirements in the  
3200 provisions applicable to the sublicense.

3201 Section 41. Section **32B-8-502** is amended to read:

3202 **32B-8-502. Enforcement of operational requirements for resort license or**  
3203 **sublicense.**

3204 (1) (a) Except as provided in Subsection (2) [~~and in addition to Subsection (3)~~], failure  
3205 by a person described in Subsection (1)(b) to comply with this chapter or [~~an operational~~  
3206 ~~requirement under a provision applicable to a sublicense~~] Chapter 8d, Sublicense Act, may  
3207 result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
3208 Enforcement Act, against:

- 3209 (i) a resort licensee;  
3210 (ii) individual staff of a resort licensee;  
3211 (iii) a sublicense or person otherwise operating under a sublicense;  
3212 (iv) individual staff of a sublicense or person otherwise operating under a sublicense;

3213 or

3214 (v) any combination of the persons listed in [~~this Subsection (1)(a)~~] Subsections  
3215 (1)(a)(i) through (iv).

3216 (b) This Subsection (1) applies to:

- 3217 (i) a resort licensee;  
3218 (ii) a sublicense or person operating under a sublicense of a resort license; or  
3219 (iii) staff of a resort licensee or sublicensee or other person operating under a  
3220 sublicense of a resort license.

3221 (2) (a) Notwithstanding the other provisions of this title, if the failure to comply with

3222 this chapter described in Subsection (1) relates to a sale, offer for sale, or furnishing of an  
 3223 alcoholic product on [~~a sublicense~~] sublicensed premises, a resort licensee or an individual  
 3224 member of the resort licensee's management personnel is subject to a sanction described in  
 3225 Subsection (1), only if the commission finds that:

3226 (i) during the three years before the day on which the commission makes the finding,  
 3227 there are three or more disciplinary proceedings against any sublicensee or person operating  
 3228 under a sublicense of the resort licensee for failure to comply with an operational requirement  
 3229 applicable to the sublicense; and

3230 (ii) the resort licensee has not taken reasonable steps to prevent persons operating  
 3231 under a sublicense of the resort licensee from failing to comply with operational requirements  
 3232 applicable to the sublicense.

3233 (b) This Subsection (2) applies if the three or more disciplinary proceedings described  
 3234 in Subsection (2)(a) are against:

3235 (i) the same person operating under a sublicense of the resort licensee; or

3236 (ii) two or more different persons operating under a sublicense of the resort licensee.

3237 [~~(3) An operational requirement applicable to a person operating under a sublicense is~~  
 3238 ~~enforced as provided by the provisions applicable to the sublicense.]~~

3239 Section 42. Section **32B-8a-101** is amended to read:

3240 **Part 8a. Transfer of Alcohol License Act**

3241 **32B-8a-101. Title.**

3242 This chapter is known as the "Transfer of [~~Retail~~] Alcohol License Act."

3243 Section 43. Section **32B-8a-102** is amended to read:

3244 **32B-8a-102. Definitions.**

3245 As used in this chapter:

3246 (1) "Alcohol license" means:

3247 (a) a retail license;

3248 (b) an off-premise beer retailer state license;

3249 (c) a brewery manufacturing license;

- 3250 (d) a distillery manufacturing license;
- 3251 (e) a winery manufacturing license; and
- 3252 (f) a special use permit that is an industrial or manufacturing use permit.
- 3253 ~~[(1)]~~ (2) "Business entity" means a corporation, partnership, limited liability company,
- 3254 sole proprietorship, or similar entity.
- 3255 ~~[(2)]~~ (3) "Transfer fee" means a fee described in Section 32B-8a-303.
- 3256 ~~[(3)]~~ (4) "Transferee" means a person who intends to hold ~~[a retail]~~ an alcohol license
- 3257 after the transfer of the ~~[retail]~~ alcohol license if the transfer is approved by the commission
- 3258 under this chapter.
- 3259 ~~[(4)]~~ (5) "Transferor" means ~~[a retail]~~ an alcohol licensee who intends to transfer ~~[a~~
- 3260 ~~retail]~~ an alcohol license held by the ~~[retail]~~ alcohol licensee if the commission approves the
- 3261 transfer ~~[is approved by the commission]~~ under this chapter.
- 3262 Section 44. Section **32B-8a-201** is amended to read:
- 3263 **32B-8a-201. Transferability of alcohol license.**
- 3264 (1) (a) ~~[A retail]~~ An alcohol license is separate from other property of ~~[a retail]~~ an
- 3265 alcohol licensee.
- 3266 (b) Notwithstanding Subsection (1)(a), the Legislature may terminate or modify the
- 3267 existence of any type of ~~[retail]~~ alcohol license.
- 3268 (c) Except as provided in this chapter, a person may not:
- 3269 (i) transfer ~~[a retail]~~ an alcohol license from one location to another location; or
- 3270 (ii) sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the
- 3271 ~~[retail]~~ alcohol license to another person whether for monetary gain or not.
- 3272 (d) If approved by the commission and subject to the requirements of this chapter, ~~[a~~
- 3273 ~~retail]~~ an alcohol licensee may transfer ~~[a retail]~~ the alcohol license:
- 3274 (i) from the ~~[retail]~~ alcohol licensee to another person, regardless of whether ~~[it]~~ the
- 3275 alcohol license is for the same premises; and
- 3276 (ii) from one premises of the ~~[retail]~~ alcohol licensee to another premises of the ~~[retail]~~
- 3277 alcohol licensee.

3278 (2) (a) The commission may not approve the transfer of [~~a retail~~] an alcohol license  
 3279 that results in a transferee holding a different type of [~~retail~~] alcohol license than is held by the  
 3280 transferor.

3281 (b) [~~The~~] Unless the alcohol license is a bar establishment license, the commission may  
 3282 not approve the transfer of [~~a retail~~] an alcohol license from one location to another location, if  
 3283 the location of the premises to which the [~~retail~~] alcohol license would be transferred is in a  
 3284 different county than the location of the licensed premises of the [~~retail~~] alcohol license being  
 3285 transferred.

3286 (3) The commission may not approve the transfer of [~~a retail~~] an alcohol license if the  
 3287 transferee:

3288 (a) is not eligible to hold the same type of [~~retail~~] alcohol license as the [~~retail~~] alcohol  
 3289 license to be transferred at the premises to which the [~~retail~~] alcohol license would be  
 3290 transferred; or

3291 (b) is delinquent in the payment of any of the following that arises in full or in part out  
 3292 of the operation of a [~~retail~~] alcohol license:

3293 (i) a tax, fee, or charge due under this title or Title 59, Revenue and Taxation; or

3294 (ii) an amount due under Title 35A, Chapter 4, Employment Security Act.

3295 (4) This chapter does not apply to a:

3296 (a) master full-service restaurant license; [~~or~~]

3297 (b) master limited-service restaurant license[~~;~~]; or

3298 (c) master off-premise beer retailer state license.

3299 Section 45. Section **32B-8a-202** is amended to read:

3300 **32B-8a-202. Effect of transfer of ownership of business entity.**

3301 (1) (a) When the ownership of 51% or more of the shares of stock of a corporation is  
 3302 acquired by or transferred to one or more persons who did not hold the ownership of 51% of  
 3303 those shares of stock on the date [~~a retail~~] an alcohol license is issued to the corporation, the  
 3304 corporation shall comply with this chapter to transfer the [~~retail~~] alcohol license to the  
 3305 corporation as if the corporation is newly constituted.

3306 (b) When there is a new general partner or when the ownership of 51% or more of the  
3307 capital or profits of a limited partnership is acquired by or transferred to one or more persons as  
3308 general or limited partners and who did not hold ownership of 51% or more of the capital or  
3309 profits of the limited partnership on the date [~~a retail~~] an alcohol license is issued to the limited  
3310 partnership, the limited partnership shall comply with this chapter to transfer the [~~retail~~]  
3311 alcohol license to the limited partnership as if the limited partnership is newly constituted.

3312 (c) When the ownership of 51% or more of the interests in a limited liability company  
3313 is acquired by or transferred to one or more persons as members who did not hold ownership of  
3314 51% or more of the interests in the limited liability company on the date [~~a retail~~] an alcohol  
3315 license is issued to the limited liability company, the limited liability company shall comply  
3316 with this chapter to transfer the [~~retail~~] alcohol license to the limited liability company as if the  
3317 limited liability company is newly constituted.

3318 (2) A business entity shall comply with this section within 60 days after the day on  
3319 which the event described in Subsection (1) occurs.

3320 Section 46. Section **32B-8a-203** is amended to read:

3321 **32B-8a-203. Operational requirements for transferee.**

3322 (1) (a) A transferee shall begin operations of the [~~retail~~] alcohol license within 30 days  
3323 [~~from~~] after the day on which a transfer is approved by the commission, except that:

3324 (i) the department may grant an extension of this time period not to exceed 30 days;

3325 and

3326 (ii) after the extension is authorized by the department under Subsection (1)(a)(i), the  
3327 commission may grant one or more additional extensions not to exceed, in the aggregate, seven  
3328 months from the day on which the commission approves the transfer, if the transferee can  
3329 demonstrate to the commission that the transferee:

3330 (A) cannot begin operations because the transferee is improving the licensed premises;

3331 (B) has obtained a building permit for the improvements described in Subsection

3332 (1)(a)(ii)(A); and

3333 (C) is working expeditiously to complete the improvements to the licensed premises.

3334 (b) A transferee is considered to have begun operations of the [~~retail~~] alcohol license if  
3335 the transferee:

3336 (i) has a licensed premises that is open for business;

3337 (ii) (A) sells, offers for sale, or furnishes alcoholic products to a patron on the licensed  
3338 premises described in Subsection (1)(b)(i); [~~and~~]

3339 (B) manufactures an alcoholic product on the licensed premises described in  
3340 Subsection (1)(b)(i); or

3341 (C) engages in an industrial or manufacturing pursuit containing alcohol on the  
3342 licensed premises described in Subsection (1)(b)(i); and

3343 (iii) has a valid business license.

3344 (2) If a transferee fails to begin operations of the [~~retail~~] alcohol license within the time  
3345 period required by Subsection (1), the following are automatically forfeited effective  
3346 immediately:

3347 (a) the [~~retail~~] alcohol license; and

3348 (b) the [~~retail~~] alcohol license fee.

3349 (3) A transferee shall begin operations of the [~~retail~~] alcohol license at the location to  
3350 which the transfer applies before the transferee may seek a transfer of the [~~retail~~] alcohol  
3351 license to a different location.

3352 (4) Notwithstanding Subsection (1), the commission may not issue a conditional  
3353 license unless the requirements of Section [32B-5-205](#) are met, except that the time periods  
3354 required by this section supersede the time period provided in Section [32B-5-205](#).

3355 Section 47. Section **32B-8a-302** is amended to read:

3356 **32B-8a-302. Application -- Approval process.**

3357 (1) To obtain the transfer of [~~a retail~~] an alcohol license from [~~a retail~~] an alcohol  
3358 licensee, the transferee shall file a transfer application with the department that includes:

3359 (a) an application in the form provided by the department;

3360 (b) a statement as to whether the consideration, if any, to be paid to the transferor  
3361 includes payment for transfer of the [~~retail~~] alcohol license;



3362 (c) a statement executed under penalty of perjury that the consideration as set forth in  
3363 the escrow agreement required by Section 32B-8a-401 is deposited with the escrow holder; and

3364 (d) (i) an application fee of \$300; and

3365 (ii) a transfer fee determined in accordance with Section 32B-8a-303.

3366 (2) If the intended transfer of [~~a retail~~] an alcohol license involves consideration, at  
3367 least 10 days before the commission may approve the transfer, the department shall post a  
3368 notice of the intended transfer on the Public Notice Website created in Section 63F-1-701 that  
3369 states the following:

3370 (a) the name of the transferor;

3371 (b) the name and address of the business currently associated with the [~~retail~~] alcohol  
3372 license;

3373 (c) instructions for filing a claim with the escrow holder; and

3374 (d) the projected date that the commission may consider the transfer application.

3375 (3) (a) (i) Before the commission may approve the transfer of [~~a retail~~] an alcohol  
3376 license, the department shall conduct an investigation and may hold public hearings to gather  
3377 information and make recommendations to the commission as to whether the transfer of the  
3378 [~~retail~~] alcohol license should be approved.

3379 (ii) The department shall forward the information and recommendations described in  
3380 this Subsection (3)(a) to the commission to aid in the commission's determination.

3381 (b) Before approving a transfer, the commission shall:

3382 (i) determine that the transferee filed a complete application;

3383 (ii) determine that the transferee is eligible to hold the type of [~~retail~~] alcohol license  
3384 that is to be transferred at the premises to which the [~~retail~~] alcohol license would be  
3385 transferred;

3386 (iii) determine that the transferee is not delinquent in the payment of an amount  
3387 described in Subsection 32B-8a-201(3);

3388 (iv) determine that the transferee is not disqualified under Section 32B-1-304;

3389 (v) consider the locality within which the proposed licensed premises is located,

3390 including:

3391       (A) the factors listed in Section [32B-5-203](#) for the issuance of a retail license;

3392       (B) the factors listed in Section [32B-7-404](#) for the issuance of an off-premise beer

3393 retailer state license;

3394       (C) the factors listed in Section [32B-11-206](#) for the issuance of a manufacturing

3395 license; and

3396       (D) the factors listed in Section [32B-10-204](#) for the issuance of a special use permit

3397 that is an industrial and manufacturing use permit;

3398       (vi) consider the transferee's ability to manage and operate the retail license to be

3399 transferred, including:

3400       (A) the factors listed in Section [32B-5-203](#) for the issuance of a retail license;

3401       (B) the factors listed in Section [32B-7-404](#) for the issuance of an off-premise beer

3402 retailer state license;

3403       (C) the factors listed in Section [32B-11-206](#) for the issuance of a manufacturing

3404 license; and

3405       (D) the factors listed in Section [32B-10-204](#) for the issuance of a special use permit

3406 that is an industrial and manufacturing use permit;

3407       (vii) consider the nature or type of [~~retail~~] alcohol licensee operation of the transferee,

3408 including:

3409       (A) the factors listed in Section [32B-5-203](#) for the issuance of a retail license;

3410       (B) the factors listed in Section [32B-7-404](#) for the issuance of an off-premise beer

3411 retailer state license;

3412       (C) the factors listed in Section [32B-11-206](#) for the issuance of a manufacturing

3413 license; and

3414       (D) the factors listed in Section [32B-10-204](#) for the issuance of a special use permit

3415 that is an industrial and manufacturing use permit;

3416       (viii) if the transfer involves consideration, determine that the transferee and transferor

3417 have complied with Part 4, Protection of Creditors; and

3418 (ix) consider any other factor the commission considers necessary.

3419 (4) Except as otherwise provided in Section [32B-1-202](#), the commission may not  
3420 approve the transfer of [~~a retail~~] an alcohol license to premises that do not meet the proximity  
3421 requirements of Subsection [32B-1-202\(2\)](#), [Section 32B-7-201](#), or [Section 32B-11-210](#), as  
3422 applicable.

3423 Section 48. Section **32B-8a-303** is amended to read:

3424 **32B-8a-303. Transfer fees.**

3425 (1) Except as otherwise provided in this section, the department shall charge the  
3426 following transfer fees:

3427 (a) for a transfer of [~~a retail~~] an alcohol license from [~~a retail~~] an alcohol licensee to  
3428 another person, the transfer fee equals the initial license fee amount specified in the relevant  
3429 chapter or part [~~under Chapter 6, Specific Retail License Act,~~] for the type of [~~retail~~] alcohol  
3430 license that is being transferred;

3431 (b) for the transfer of [~~a retail~~] an alcohol license from one premises to another  
3432 premises of the same [~~retail~~] alcohol licensee, the transfer fee equals the renewal fee amount  
3433 specified in the relevant chapter or part [~~under Chapter 6, Specific Retail License Act,~~] for the  
3434 type of [~~retail~~] alcohol license that is being transferred;

3435 (c) subject to Subsections (1)(d) and (2), for a transfer described in Section  
3436 [32B-8a-202](#), the transfer fee equals the renewal fee amount specified in the relevant chapter or  
3437 part [~~under Chapter 6, Specific Retail License Act,~~] for the type of [~~retail~~] alcohol license that  
3438 is being transferred;

3439 (d) for a transfer of [~~a retail~~] an alcohol license to include the parent or adult child of [~~a~~  
3440 ~~retail~~] an alcohol licensee, when no consideration is given for the transfer, the transfer fee is  
3441 one-half of the amount described in Subsection (1)(a); and

3442 (e) for one of the following transfers, the transfer fee is one-half of the amount  
3443 described in Subsection (1)(a):

3444 (i) [~~a retail~~] an alcohol license of one spouse to the other spouse when the transfer  
3445 application is made before the entry of a final decree of divorce;

- 3446 (ii) [~~a retail~~] an alcohol license of a deceased [~~retail~~] alcohol licensee to:
- 3447 (A) the one or more surviving partners of the deceased [~~retail~~] alcohol licensee;
- 3448 (B) the executor, administrator, or conservator of the estate of the deceased [~~retail~~]
- 3449 alcohol licensee; or
- 3450 (C) the surviving spouse of the deceased [~~retail~~] alcohol licensee, if the deceased
- 3451 [~~retail~~] alcohol licensee leaves no estate to be administered;
- 3452 (iii) [~~a retail~~] an alcohol license of an incompetent person or conservatee by or to the
- 3453 conservator or guardian for the incompetent person or conservatee who is the [~~retail~~] alcohol
- 3454 licensee;
- 3455 (iv) [~~a retail~~] an alcohol license of a debtor in a bankruptcy case by or to the trustee of a
- 3456 bankrupt estate of the [~~retail~~] alcohol licensee;
- 3457 (v) [~~a retail~~] an alcohol license of a person for whose estate a receiver is appointed may
- 3458 be transferred by or to a receiver of the estate of the [~~retail~~] alcohol licensee;
- 3459 (vi) [~~a retail~~] an alcohol license of an assignor for the benefit of creditors by or to an
- 3460 assignee for the benefit of creditors of a licensee with the consent of the assignor;
- 3461 (vii) [~~a retail~~] an alcohol license transferred to a revocable living trust if the [~~retail~~]
- 3462 alcohol licensee is the trustee of the revocable living trust;
- 3463 (viii) [~~a retail~~] an alcohol license transferred between partners when no new partner is
- 3464 being licensed;
- 3465 (ix) [~~a retail~~] an alcohol license transferred between corporations whose outstanding
- 3466 shares of stock are owned by the same individuals;
- 3467 (x) upon compliance with Section 32B-8a-202, [~~a retail~~] an alcohol license to a
- 3468 corporation whose entire stock is owned by:
- 3469 (A) the transferor; or
- 3470 (B) the spouse of the transferor;
- 3471 (xi) upon compliance with Section 32B-8a-202, [~~a retail~~] an alcohol license to a limited
- 3472 liability company whose entire membership consists of:
- 3473 (A) the transferor; or

3474 (B) the spouse of the transferor; or

3475 (xii) [~~a-retail~~] an alcohol license transferred from a corporation to a person who owns,  
3476 or whose spouse owns, the entire stock of the corporation.

3477 (2) If there are multiple and simultaneous transfers of [~~retail~~] alcohol licenses under  
3478 Section 32B-8a-202, a transfer fee described in Subsection (1)(c) is required for only one of the  
3479 [~~retail~~] alcohol licenses being transferred.

3480 (3) (a) Except as provided in Subsection (3)(b), a transfer fee required under  
3481 Subsection (1) is due for a transfer subsequent to a transfer under Subsection (1)(e)(xii) if the  
3482 subsequent transfer is of 51% of the stock in a corporation to which [~~a-retail~~] an alcohol license  
3483 is transferred by [~~a-retail~~] an alcohol licensee or the spouse of [~~a-retail~~] an alcohol licensee.

3484 (b) If the transfer of stock described in Subsection (3)(a) is from a parent to the parent's  
3485 adult child or adult grandchild, the transfer fee is one-half of the amount described in  
3486 Subsection (1)(a).

3487 (4) Money collected from a transfer fee shall be deposited in the Liquor Control Fund.  
3488 Section 49. Section 32B-8a-401 is amended to read:

3489 **32B-8a-401. Notification of creditors -- Escrow -- Priority of payments.**

3490 (1) Before the filing of a transfer application with the department, if the intended  
3491 transfer of [~~a-retail~~] an alcohol license involves consideration:

3492 (a) the transferor shall provide the transferee a list of creditors who have a claim  
3493 against the transferor;

3494 (b) the transferee shall notify each creditor on the list provided under Subsection (1)(a)  
3495 of the intended transfer;

3496 (c) the transferor and the transferee shall establish an escrow with a person who is not a  
3497 party to the transfer to act as escrow holder;

3498 (d) the transferee shall deposit with the escrow holder the full amount of the  
3499 consideration; and

3500 (e) the transferor and transferee shall enter into an agreement that:

3501 (i) the consideration is deposited with the escrow holder;

3502 (ii) requires the escrow holder to distribute the consideration within a reasonable time  
3503 after the completion of the transfer of the [~~retail~~] alcohol license; and

3504 (iii) directs the escrow holder to distribute the consideration in accordance with  
3505 Subsection (2).

3506 (2) Subject to the other requirements of this section, if a creditor with a claim against  
3507 the transferor files the claim with the escrow holder before the escrow holder is notified by the  
3508 department that the transfer is approved, the escrow holder shall distribute the consideration in  
3509 the following order:

3510 (a) to the payment of:

3511 (i) the United States for a claim based on income or withholding taxes; and

3512 (ii) a claim based on a tax other than specified in Subsection [32B-8a-201\(3\)](#);

3513 (b) to the payment of a claim for wages, salaries, or fringe benefits earned or accrued  
3514 by an employee of the transferor before the transfer or opening of the escrow for the transfer of  
3515 the [~~retail~~] alcohol license;

3516 (c) to the payment of a claim of a secured creditor to the extent of the proceeds that  
3517 arise from the sale of the security;

3518 (d) to the payment of a claim on a mechanics lien;

3519 (e) to the payment of:

3520 (i) escrow fees;

3521 (ii) a claim for prevailing brokerage fees for services rendered; and

3522 (iii) a claim for reasonable attorney fees for services rendered;

3523 (f) to the payment of claims:

3524 (i) of a landlord, to the extent of proceeds on past due rent or lease requirements;

3525 (ii) for goods sold and delivered to the [~~retail~~] alcohol licensee for resale at the  
3526 transferor's licensed premises; and

3527 (iii) for services rendered, performed, or supplied in connection with the operation of  
3528 the transferor's licensed business;

3529 (g) to the payment of other types of claims that are reduced to court-ordered judgments,

3530 including a claim for court-ordered support of a minor child; and

3531 (h) to the payment of all other claims.

3532 Section 50. Section **32B-8a-402** is amended to read:

3533 **32B-8a-402. Duties of escrow holder.**

3534 (1) To act as an escrow holder under Section **32B-8a-401**, a person shall comply with  
3535 Title 7, Chapter 22, Regulation of Independent Escrow Agents.

3536 (2) Not more than 10 days after [~~receiving~~] the day on which the escrow holder  
3537 receives a claim from a creditor, an escrow holder shall acknowledge receipt of the claim.

3538 (3) (a) Not more than 10 days after [~~a retail~~] the day on which an alcohol license is  
3539 transferred and before the distribution of the consideration held by an escrow holder, the  
3540 escrow holder shall advise each creditor who files a claim against the escrow whether there is  
3541 sufficient consideration in the escrow to pay all creditors in full.

3542 (b) If the consideration in an escrow is sufficient to pay all creditors in full, the escrow  
3543 holder shall advise each creditor of the date on or before which payment will be made.

3544 (c) If there are not sufficient assets to pay all creditors in full, the escrow holder shall  
3545 advise each creditor who filed a claim of the following:

3546 (i) the total assets placed in escrow with the escrow holder;

3547 (ii) the nature of each asset;

3548 (iii) the name of each creditor who filed a claim against the escrow and the amount of  
3549 the claim;

3550 (iv) the amount the escrow holder proposes to pay each creditor; and

3551 (v) the date on or before which the escrow holder will pay each creditor.

3552 (4) An escrow holder may not release money in the escrow in exchange for:

3553 (a) a promissory note; or

3554 (b) any other consideration of less value to the creditors than the money exchanged.

3555 (5) If sufficient assets are not available in the escrow for the payment of the claims in  
3556 full, the escrow holder shall pay the claims pro rata.

3557 (6) If the [~~retail~~] alcohol licensee who transfers the [~~retail~~] alcohol license disputes a

3558 claim, the escrow holder shall:

3559 (a) notify the creditor making the claim;

3560 (b) retain the amount to be paid to the creditor under this section for a period of 25  
3561 days; and

3562 (c) to the extent that creditors do not successfully recover the amount described in  
3563 Subsection (6)(b) in accordance with this part, pay the amount to the [~~retail~~] alcohol licensee.

3564 (7) An escrow holder shall distribute the money in the escrow account after the  
3565 payments made under Subsections 32B-8a-401(2) and this section within a reasonable time  
3566 after the completion of the transfer of the [~~retail~~] alcohol license.

3567 Section 51. Section 32B-8a-404 is amended to read:

3568 **32B-8a-404. When escrow not required.**

3569 (1) Notwithstanding the other provisions of this part, an escrow is not required to be  
3570 established in connection with the transfer of [~~a retail~~] an alcohol license if:

3571 (a) a business entity files with the department a guaranty of full, prompt, and faithful  
3572 payment of all claims of a creditor of the [~~retail~~] alcohol licensee; and

3573 (b) the guaranty described in Subsection (1)(a) is accepted in writing by the creditors  
3574 listed in Subsection 32B-8a-401(2).

3575 (2) A transfer of [~~a retail~~] an alcohol license described in Subsection (1) is not  
3576 considered complete until:

3577 (a) the guarantor pays all creditors' claims in full; and

3578 (b) the guarantor files with the department a statement executed under penalty of  
3579 perjury that all conditions of the transfer have been satisfied.

3580 (3) Payment of a claim by a guarantor shall be made in United States currency or by  
3581 certified check in a manner acceptable to the creditors.

3582 (4) This section applies only in the case of a transfer in which the guarantor business  
3583 entity has a net worth on a consolidated basis, according to [~~its~~] the guarantor business entity's  
3584 most recent audited financial statement, of not less than \$5,000,000.

3585 Section 52. Section 32B-8a-501 is amended to read:



3586 **32B-8a-501. License not to be pledged as security -- Prohibited transfers.**

3587 (1) [~~A retail~~] An alcohol licensee may not enter into any agreement under which the  
3588 [~~retail~~] alcohol licensee pledges the [~~retail~~] alcohol license as security for a loan or as security  
3589 for the fulfillment of any agreement.

3590 (2) [~~A retail~~] An alcohol licensee may not transfer [~~a retail~~] an alcohol license if the  
3591 transfer is to:

3592 (a) satisfy a loan or to fulfill an agreement entered into more than 90 days [~~preceding~~  
3593 ~~the date~~] before the day on which the transfer application is filed;

3594 (b) gain or establish a preference to or for any creditor of the transferor, except as  
3595 provided by Section [32B-8a-202](#); or

3596 (c) defraud or injure a creditor of the transferor.

3597 (3) An alcohol licensee may not transfer a bar establishment license in a manner that  
3598 circumvents the limitations of Subsection [32B-8d-103](#)(3)(b) or (c).

3599 [~~(3)~~] (4) [~~A retail~~] An alcohol licensee may not transfer [~~a retail~~] an alcohol license  
3600 except in accordance with this chapter.

3601 Section 53. Section **32B-8a-502** is amended to read:

3602 **32B-8a-502. Effect of transfer in violation of this chapter.**

3603 (1) If [~~a retail~~] an alcohol license is transferred in violation of this chapter, the  
3604 commission may:

3605 (a) void the transfer; and

3606 (b) require the [~~retail~~] alcohol license to be forfeited.

3607 (2) Subsection (1) is in addition to any other penalty under this title that is applicable to  
3608 the person who violates this chapter.

3609 Section 54. Section **32B-8b-102** is amended to read:

3610 **32B-8b-102. Definitions.**

3611 As used in this chapter:

3612 (1) "Boundary of a hotel" means the physical boundary of one or more contiguous  
3613 parcels of real [~~estate~~] property owned or managed by the same person and on which a hotel is

3614 located.

3615 (2) "Hotel" means one or more buildings that:

3616 (a) comprise a hotel, as defined by the commission;

3617 (b) are owned or managed by the same person or by a person who has a majority  
3618 interest in or can direct or exercise control over the management or policy of the person who  
3619 owns or manages any other building under the hotel license within the boundary of the hotel;

3620 (c) primarily operate to provide lodging accommodations;

3621 (d) provide room service within the boundary of the hotel meeting the requirements of  
3622 this title;

3623 (e) have on-premise banquet space and provide on-premise banquet service within the  
3624 boundary of the hotel meeting the requirements of this title;

3625 (f) have a restaurant or bar establishment within the boundary of the hotel meeting the  
3626 requirements of this title; and

3627 (g) have at least 40 ~~[guest rooms]~~ rooms as temporary sleeping accommodations for  
3628 compensation.

3629 [~~(3)~~ "Provisions applicable to a sublicense" means:]

3630 [~~(a)~~ for a full-service restaurant sublicense, Chapter 6, Part 2, Full-Service Restaurant  
3631 License;]

3632 [~~(b)~~ for a limited-service restaurant sublicense, Chapter 6, Part 3, Limited-Service  
3633 Restaurant License;]

3634 [~~(c)~~ for a bar establishment sublicense, Chapter 6, Part 4, Bar Establishment License;]

3635 [~~(d)~~ for an on-premise banquet sublicense, Chapter 6, Part 6, On-Premise Banquet  
3636 License;]

3637 [~~(e)~~ for an on-premise beer retailer sublicense, Chapter 6, Part 7, On-Premise Beer  
3638 Retailer License; and]

3639 [~~(f)~~ for a beer-only restaurant sublicense, Chapter 6, Part 9, Beer-Only Restaurant  
3640 License.]

3641 [~~(4)~~ "Sublicense" means:]

3642 ~~[(a) a full-service restaurant sublicense;]~~  
 3643 ~~[(b) a limited-service restaurant sublicense;]~~  
 3644 ~~[(c) a bar establishment sublicense;]~~  
 3645 ~~[(d) an on-premise banquet sublicense;]~~  
 3646 ~~[(e) an on-premise beer retailer sublicense; and]~~  
 3647 ~~[(f) a beer-only restaurant sublicense.]~~  
 3648 ~~[(5) "Sublicense premises" means a building, enclosure, or room used pursuant to a~~  
 3649 ~~sublicense in connection with the storage, sale, furnishing, or consumption of an alcoholic~~  
 3650 ~~product, unless otherwise defined in this title or in the rules made by the commission.]~~

3651 Section 55. Section **32B-8b-201** is amended to read:

3652 **32B-8b-201. Commission's power to issue a hotel license.**

3653 (1) Before a person as a hotel under a single license may store, sell, offer for sale,  
 3654 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person  
 3655 shall first obtain a hotel license from the commission in accordance with this part.

3656 (2) (a) The commission may issue to a person a hotel license to allow the storage, sale,  
 3657 offer for sale, furnishing, and consumption of an alcoholic product in connection with a hotel  
 3658 designated in the hotel license if the person operates at least three sublicenses under the hotel  
 3659 license:

- 3660 (i) one of which is an on-premise banquet license; and
- 3661 (ii) one of which is ~~[a sublicense for a restaurant or bar establishment.]:~~

- 3662 (A) a full-service restaurant sublicense;
- 3663 (B) a limited-service restaurant sublicense;
- 3664 (C) a beer-only restaurant sublicense; or
- 3665 (D) a bar establishment sublicense.

3666 (b) A hotel license shall:

3667 (i) consist of:

- 3668 (A) a general hotel license; and
- 3669 (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

3670 (ii) designate the boundary of the hotel and sublicenses.

3671 (c) This chapter does not prohibit an alcoholic product on the boundary of the hotel to  
3672 the extent otherwise permitted by this title.

3673 [~~(d) The commission may not issue a sublicense that is separate from a hotel license.~~]

3674 (3) [~~(a)~~] The commission may not issue a total number of hotel licenses that at any time  
3675 totals more than 80.

3676 [~~(b) Subject to Subsection (3)(c), when determining the total number of licenses the  
3677 commission has issued for each type of retail license, the commission may not include a  
3678 sublicense as one of the retail licenses issued under the provisions applicable to the sublicense.~~]

3679 [~~(c) If a hotel license issued under this chapter includes a bar establishment sublicense  
3680 that before the issuance of the hotel license was a bar establishment license, the commission  
3681 shall include the bar establishment sublicense as one of the bar establishment licenses in  
3682 determining if the total number of licenses issued under the provisions applicable to the bar  
3683 establishment license exceeds the number calculated by dividing the population of the state by  
3684 the number specified in the provisions applicable to the bar establishment license.~~]

3685 [~~(d) A person may not transfer a bar establishment license under Chapter 8a, Transfer  
3686 of Retail License Act, in a manner that circumvents the limitations of Subsection (3)(c).~~]

3687 Section 56. Section **32B-8b-202** is amended to read:

3688 **32B-8b-202. Specific licensing requirements for hotel license.**

3689 (1) To obtain a hotel license, in addition to complying with Chapter 5, Part 2, Retail  
3690 Licensing Process, a person shall submit with the person's written application:

3691 [~~(a) the current business license for each sublicense, if the business license is separate  
3692 from the person's business license;~~]

3693 [~~(b)~~] (a) evidence:

3694 (i) of proximity of each building under the hotel license to any community location[;  
3695 with proximity requirements being governed by Section [32B-1-202](#)];

3696 (ii) that each [~~of the three or more sublicense~~] proposed sublicensed premises is  
3697 entirely within the boundary of the hotel; and

3698 (iii) that ~~[a]~~ each building designated in the application as a building under the hotel  
 3699 license qualifies to be under the hotel license; and

3700 ~~[(c)]~~ (b) a description and boundary map of the hotel[;].

3701 ~~[(d) a description, floor plan, and boundary map of each sublicense premises~~  
 3702 ~~designating:]~~

3703 ~~[(i) any location at which the person proposes that an alcoholic product be stored; and]~~

3704 ~~[(ii) a designated location on the sublicense premises from which the person proposes~~  
 3705 ~~that an alcoholic product be sold, furnished, or consumed;]~~

3706 ~~[(e) evidence that the hotel licensee carries dramshop insurance coverage equal to the~~  
 3707 ~~sum of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate to cover both the~~  
 3708 ~~general hotel license and each sublicense; and]~~

3709 ~~[(f) a signed consent form stating that the person will permit any authorized~~  
 3710 ~~representative of the commission or department, or any law enforcement officer, to have~~  
 3711 ~~unrestricted right to enter the boundary of the hotel and each sublicense premises:]~~

3712 (2) (a) A hotel license expires on October 31 of each year.

3713 (b) To renew a person's hotel license, the person shall comply with the requirements of  
 3714 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.

3715 (3) (a) The nonrefundable application fee for a hotel license is \$500.

3716 (b) The initial license fee for a hotel license is calculated as follows:

3717 (i) ~~[\$5,000]~~ if three sublicenses are being applied for under the hotel license, \$5,000; or

3718 (ii) if more than three sublicenses are being applied for under the hotel license, the sum  
 3719 of:

3720 (A) \$5,000; and

3721 (B) \$2,000 for each sublicense in excess of three sublicenses for which the person is  
 3722 applying.

3723 (c) The renewal fee for a hotel license is \$1,000 for each sublicense under the hotel  
 3724 license.

3725 (4) (a) The bond amount required for a hotel license is the penal sum of \$10,000.

3726 (b) A hotel licensee is not required to have a separate bond for each sublicense, except  
3727 that the aggregate of the bonds posted by the hotel licensee shall cover each sublicense under  
3728 the hotel license.

3729 (5) The commission may not issue a hotel license that includes a building under the  
3730 hotel license that does not meet the proximity requirements of Section [32B-1-202](#).

3731 (6) In accordance with Subsection [32B-8d-103\(4\)](#), a hotel licensee may request to add a  
3732 sublicense after the commission issues the hotel licensee's hotel license.

3733 Section 57. Section **32B-8b-301** is amended to read:

3734 **32B-8b-301. Specific operational requirements for hotel license.**

3735 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
3736 Requirements, a hotel licensee, staff of the hotel licensee, and a sublicensee or person  
3737 otherwise operating under a sublicense shall comply with this section.

3738 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
3739 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3740 (i) [~~a~~] the hotel licensee;

3741 (ii) individual staff of [~~a~~] the hotel licensee;

3742 (iii) a sublicensee or person otherwise operating under a sublicense of the hotel  
3743 licensee;

3744 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense  
3745 of the hotel licensee; or

3746 (v) any combination of the persons listed in this Subsection (1)(b).

3747 (2) (a) A hotel licensee may not sell, offer for sale, or furnish an alcoholic product  
3748 except:

3749 (i) on [~~a sublicense~~] sublicensed premises;

3750 (ii) pursuant to a permit issued under this title; or

3751 (iii) under a package agency agreement with the department, subject to Chapter 2, Part  
3752 6, Package Agency.

3753 (b) A hotel licensee who sells, offers for sale, or furnishes an alcoholic product as

3754 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3755 (i) ~~[except as provided in Section 32B-8b-302,]~~ if on ~~[a sublicense]~~ sublicensed  
3756 premises, in accordance with the operational requirements ~~[under the provisions applicable to~~  
3757 ~~the sublicense]~~ described in Section 32B-8d-104;

3758 (ii) if under a permit issued under this title, in accordance with the operational  
3759 requirements under the provisions applicable to the permit; and

3760 (iii) if as a package agency, in accordance with the contract with the department and  
3761 Chapter 2, Part 6, Package Agency.

3762 (c) Notwithstanding the other provisions of this Subsection (2), a hotel licensee may  
3763 not permit a patron to carry an alcoholic product off the premises of a sublicense in violation of  
3764 Section 32B-5-307 or off an area designated under a permit.

3765 ~~[(3) A hotel licensee shall comply with Subsections 32B-5-301(4) and (5) within the~~  
3766 ~~boundary of the hotel.]~~

3767 ~~[(4)]~~ (3) A hotel licensee shall supervise and direct a person involved in the sale, offer  
3768 for sale, or furnishing of an alcoholic product under a hotel license.

3769 ~~[(5)]~~ (4) (a) Room service of an alcoholic product to a lodging accommodation of a  
3770 hotel licensee shall be provided in person by staff of ~~[a]~~ the hotel licensee only to an adult  
3771 occupant in the lodging accommodation.

3772 (b) An alcoholic product may not be left outside a lodging accommodation for retrieval  
3773 by an occupant.

3774 ~~[(6)]~~ (5) A hotel licensee shall operate in a manner so that at least 70% of the annual  
3775 aggregate of the gross receipts related to the sale of food or beverages for the hotel license and  
3776 each of the hotel license's sublicenses is from the sale of food, not including:

3777 (a) mix for an alcoholic product; and

3778 (b) a charge in connection with the service of an alcoholic product.

3779 Section 58. Section 32B-8b-401 is amended to read:

3780 **32B-8b-401. Enforcement of operational requirements for hotel license or**  
3781 **sublicense.**

3782 ~~[(1)(a)]~~ (1) Failure by a person described in Subsection ~~[(1)(b)]~~ (2) to comply with this  
3783 chapter or ~~[an operational requirement under a provision applicable to a sublicense]~~ Chapter  
3784 8d, Sublicense Act, may result in disciplinary action in accordance with Chapter 3, Disciplinary  
3785 Actions and Enforcement Act, against:

3786 ~~[(i)]~~ (a) ~~[a]~~ the hotel licensee;  
3787 ~~[(ii)]~~ (b) individual staff of ~~[a]~~ the hotel licensee;  
3788 ~~[(iii)]~~ (c) a sublicensee or person otherwise operating under a sublicense of the hotel  
3789 licensee;

3790 ~~[(iv)]~~ (d) individual staff of a sublicensee or person otherwise operating under a  
3791 sublicensee of the hotel licensee; or

3792 ~~[(v)]~~ (e) any combination of the persons listed in this Subsection (1)~~[(a)]~~.

3793 ~~[(b)]~~ (2) ~~[This]~~ Subsection (1) applies to:

3794 ~~[(i)]~~ (a) a hotel licensee;  
3795 ~~[(ii)]~~ (b) a sublicensee or person operating under a sublicense of a hotel licensee; or  
3796 ~~[(iii)]~~ (c) staff of a hotel licensee or sublicensee or other person operating under a  
3797 sublicensee of a hotel licensee.

3798 ~~[(2) An operational requirement applicable to a person operating under a sublicense is~~  
3799 ~~enforced as provided by the provisions applicable to the sublicense.]~~

3800 Section 59. Section **32B-8c-101** is enacted to read:

3801 **CHAPTER 8c. ARENA LICENSE ACT**

3802 **32B-8c-101. Title.**

3803 This chapter is known as the "Arena License Act."

3804 Section 60. Section **32B-8c-102** is enacted to read:

3805 **32B-8c-102. Definitions.**

3806 Reserved

3807 Section 61. Section **32B-8c-201** is enacted to read:

3808 **32B-8c-201. Commission's power to issue an arena license.**

3809 (1) Before a person as an arena under a single license may store, sell, offer for sale,



3810 furnish, or allow the consumption of an alcoholic product on sublicensed premises, the person  
 3811 shall first obtain an arena license from the commission in accordance with this part.

3812 (2) (a) Beginning November 1, 2020, the commission may issue to a person an arena  
 3813 license to allow the storage, sale, offer for sale, furnishing, and consumption of an alcoholic  
 3814 product in connection with the arena designated in the arena license, if the person operates at  
 3815 least three sublicenses under the arena license, including:

3816 (i) one of which is an on-premise banquet sublicense;

3817 (ii) one of which is:

3818 (A) a full-service restaurant sublicense;

3819 (B) a limited-service restaurant sublicense;

3820 (C) a beer-only restaurant sublicense; or

3821 (D) a bar establishment sublicense; and

3822 (iii) one of which is an on-premise beer retailer sublicense that is not a tavern.

3823 (b) An arena license shall:

3824 (i) consist of:

3825 (A) a general arena license; and

3826 (B) three or more sublicenses meeting the requirements of Subsection (2)(a); and

3827 (ii) designate the enclosed building that is the arena.

3828 (c) This chapter does not prohibit an alcoholic product in an arena to the extent  
 3829 otherwise permitted by this title.

3830 (3) The commission may not issue a total number of arena licenses that at any time  
 3831 totals more than 10.

3832 Section 62. Section **32B-8c-202** is enacted to read:

3833 **32B-8c-202. Specific licensing requirements for arena license.**

3834 (1) To obtain an arena license, in addition to complying with Chapter 5, Part 2, Retail  
 3835 Licensing Process, a person shall submit with the person's written application:

3836 (a) evidence:

3837 (i) of proximity of the arena to any community location;

- 3838 (ii) that each proposed sublicense premises is entirely within the arena; and  
3839 (iii) that the building designated in the application as the arena qualifies as an arena;  
3840 and  
3841 (b) a description and map of the arena.  
3842 (2) (a) An arena license expires on October 31 of each year.  
3843 (b) To renew a person's arena license, the person shall comply with the requirements of  
3844 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.  
3845 (3) (a) The nonrefundable application fee for an arena license is \$500.  
3846 (b) The initial license fee for an arena license is calculated as follows:  
3847 (i) if the person applies for three sublicenses under the arena license, \$5,000; or  
3848 (ii) if the person applies for more than three sublicenses under the arena license, the  
3849 sum of:  
3850 (A) \$5,000; and  
3851 (B) \$1,000 for each sublicense in excess of three sublicenses for which the person  
3852 applies.  
3853 (c) The renewal fee for an arena license is \$1,000 plus \$1,000 for each sublicense  
3854 under the arena license.  
3855 (4) (a) The bond amount required for an arena license is the penal sum of \$100,000.  
3856 (b) An arena licensee is not required to have a separate bond for each sublicense,  
3857 except that the aggregate of the bonds posted by the arena licensee shall cover each sublicense  
3858 under the arena license.  
3859 (5) In accordance with Subsection [32B-8d-103\(4\)](#), an arena may request to add a  
3860 sublicense after the commission issues the arena licensee's arena license.  
3861 Section 63. Section **32B-8c-301** is enacted to read:  
3862 **32B-8c-301. Specific operational requirements for arena license.**  
3863 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensing Operational  
3864 Requirements, an arena licensee, staff of the arena licensee, and a sublicensee or person  
3865 otherwise operating under a sublicense shall comply with this section.

3866 (b) Failure to comply as provided in Subjection (1)(a) may result in disciplinary action  
3867 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3868 (i) the arena licensee;

3869 (ii) individual staff of the arena licensee;

3870 (iii) a sublicensee or person otherwise operating under a sublicense of the arena  
3871 licensee;

3872 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense;

3873 or

3874 (v) any combination of the persons listed in Subsections (1)(b)(i) through (iv).

3875 (2) (a) An arena licensee may not sell, offer for sale, or furnish an alcoholic product  
3876 except:

3877 (i) on sublicensed premises;

3878 (ii) pursuant to a permit issued under this title; or

3879 (iii) under a package agency agreement with the department, subject to Chapter 2, Part  
3880 6, Package Agency.

3881 (b) An arena licensee who sells, offers for sale, or furnishes an alcoholic product as  
3882 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3883 (i) if on sublicensed premises, in accordance with the operational requirements  
3884 described in Section [32B-8d-104](#);

3885 (ii) if under a permit issued under this title, in accordance with the operational  
3886 requirements under the provisions applicable to the permit; and

3887 (iii) if as a package agency, in accordance with the contract with the department and  
3888 Chapter 2, Part 6, Package Agency.

3889 (3) An arena licensee shall operate in a manner so that at least 70% of the annual  
3890 aggregate of the gross receipts related to the sale of food and beverages for the arena license  
3891 and each of the arena license's sublicenses is from the sale of food, not including:

3892 (a) mix for an alcoholic product; and

3893 (b) a charge in connection with the service of an alcoholic product.

3894 (4) An arena licensee shall, directly or indirectly, supervise and direct a person  
3895 involved in the sale, offer for sale, or furnishing of an alcoholic product under an arena license.

3896 Section 64. Section **32B-8c-401** is enacted to read:

3897 **32B-8c-401. Enforcement.**

3898 (1) Failure by a person described in Subsection (2) to comply with this chapter or  
3899 Chapter 8d, Sublicense Act, may result in disciplinary action in accordance with Chapter 3,  
3900 Disciplinary Actions and Enforcement Act, against:

3901 (a) the arena licensee;

3902 (b) individual staff of the arena licensee;

3903 (c) a sublicensee or a person otherwise operating under a sublicense of the arena  
3904 licensee;

3905 (d) individual staff of a sublicensee or person otherwise operating under a sublicense of  
3906 the arena licensee; or

3907 (e) any combination of the persons listed in Subsections (1)(a) through (d).

3908 (2) Subsection (1) applies to:

3909 (a) an arena licensee;

3910 (b) a sublicensee or person operating under a sublicense of an arena licensee;

3911 (c) staff of an arena licensee or sublicensee or other person operating under a  
3912 sublicense of the arena licensee.

3913 Section 65. Section **32B-8d-101** is enacted to read:

3914 **CHAPTER 8d. SUBLICENSE ACT**

3915 **32B-8d-101. Title.**

3916 This chapter is known as the "Sublicense Act."

3917 Section 66. Section **32B-8d-102** is enacted to read:

3918 **32B-8d-102. Definitions.**

3919 As used in this chapter:

3920 (1) "Resident" means the same as that term is defined in Section [32B-8-102](#).

3921 (2) "Resort building" means the same as that term is defined in Section [32B-8-102](#).

3922           (3) "Resort spa" means a spa:  
3923           (a) as the commission defines by rule made in accordance with Title 63G, Chapter 3,  
3924 Utah Administrative Rulemaking Act; and  
3925           (b) that is within the boundary of a resort building.  
3926           Section 67. Section **32B-8d-103** is enacted to read:  
3927           **32B-8d-103. Commission's power to issue a sublicense.**  
3928           (1) Before a person as a sublicensee may store, sell, offer for sale, furnish, or allow the  
3929 consumption of an alcoholic product on sublicensed premises, the person shall first obtain a  
3930 sublicense from the commission in accordance with:  
3931           (a) this chapter;  
3932           (b) Chapter 8, Resort License Act;  
3933           (c) Chapter 8b, Hotel License Act; and  
3934           (d) Chapter 8c, Arena License Act.  
3935           (2) (a) The commission may issue to a person a sublicense to allow the storage, sale,  
3936 offering for sale, furnishing, or consumption of an alcoholic product on the premises of the  
3937 sublicense, if the person is:  
3938           (i) a principal licensee; or  
3939           (ii) a person seeking a principal license, contingent on the issuance of the principal  
3940 license.  
3941           (b) The commission may not:  
3942           (i) issue a sublicense that is separate from a principal license; or  
3943           (ii) issue a single sublicense that covers more than one outlet in or on the boundaries of  
3944 the principal licensee.  
3945           (3) (a) Subject to Subsections (3)(b) and (c), when determining the total number of  
3946 licenses the commission has issued for each type of retail license, the commission may not  
3947 include a sublicense as one of the retail licenses issued under the provisions applicable to that  
3948 sublicense.  
3949           (b) If a principal license includes a bar establishment sublicense that before the

3950 issuance of the principal license was a bar establishment license, the commission shall include  
3951 the bar establishment sublicense as a bar establishment license in calculating the total number  
3952 of licenses issued under the provisions applicable to a bar establishment license.

3953 (c) If a resort license includes a sublicense that before the issuance of the resort license  
3954 was a retail license, the commission shall include the sublicense as a license in calculating the  
3955 total number of licenses issued under the provisions applicable to the sublicense.

3956 (4) If a principal licensee seeks to add a sublicense after the commission issues the  
3957 person's principal license, the principal licensee shall file with the department:

3958 (a) a nonrefundable \$300 application fee;

3959 (b) an initial license fee of \$2,250, which the commission shall refund if the  
3960 commission does not issue the proposed sublicense;

3961 (c) written consent of the local authority;

3962 (d) a copy of:

3963 (i) the principal licensee's current business; and

3964 (ii) the proposed sublicensee's current business license, if the relevant political  
3965 subdivision determines that the proposed sublicensee's business license is separate from the  
3966 principal licensee's business license;

3967 (e) evidence that the proposed sublicensed premises is entirely within the boundary of  
3968 the principal license;

3969 (f) a description, floor plan, and boundary map of the proposed sublicensed premises  
3970 designating:

3971 (i) each location at which the principal licensee proposes that an alcoholic product be  
3972 stored; and

3973 (ii) each location from which the principal licensee proposes that an alcoholic product  
3974 be sold, furnished, or consumed;

3975 (g) evidence that the principal licensee carries:

3976 (i) public liability insurance in an amount and form satisfactory to the department; and

3977 (ii) dramshop insurance coverage in the amount required by Section [32B-5-201](#) that

3978 covers the proposed sublicense;

3979 (h) a signed consent form stating that the principal licensee will permit any authorized  
3980 representative of the commission or department, or any law enforcement officer, to have an  
3981 unrestricted right to enter the proposed sublicensed premises;

3982 (i) if the principal licensee is an entity, proper verification evidencing that a person  
3983 who signs the application is authorized to sign on behalf of the entity; and

3984 (j) any other information the commission or department may require.

3985 Section 68. Section **32B-8d-104** is enacted to read:

3986 **32B-8d-104. General operational requirements for a sublicense.**

3987 (1) Except as provided in Subsections (2) and (3), a person operating under a  
3988 sublicense is subject to the operational requirements under the provisions applicable to the  
3989 sublicense.

3990 (2) Notwithstanding a requirement in the provisions applicable to the sublicense, a  
3991 person operating under the sublicense is not subject to a requirement that a certain percentage  
3992 of the gross receipts for the sublicense be from the sale of food, except to the extent that the  
3993 gross receipts for the sublicense are included in calculating the percentages under Subsections  
3994 [32B-8-401\(3\)](#), [32B-8b-301\(7\)](#), and [32B-8c-301\(3\)](#).

3995 (3) Notwithstanding Sections [32B-6-202](#) and [32B-6-302](#), a bar structure in a  
3996 sublicensed premises operated under a full-service restaurant sublicense or a limited-service  
3997 restaurant sublicense is considered a grandfathered bar structure if the sublicense is a  
3998 sublicense to a resort license issued on or before December 31, 2010.

3999 (4) Except as provided in Section [32B-8-502](#), for purposes of interpreting an  
4000 operational requirement imposed by the provisions applicable to a sublicense:

4001 (a) a requirement imposed on a sublicensee or person operating under a sublicense  
4002 applies to the principal licensee; and

4003 (b) a requirement imposed on staff of a sublicensee or person operating under a  
4004 sublicense applies to staff of the principal licensee.

4005 Section 69. Section **32B-8d-105** is enacted to read:

4006 **32B-8d-105. Enforcement of operational requirements.**

4007 (1) Except as provided in Subsection 32B-8-502(2) and in addition to Subsection (2),  
 4008 failure by a person to comply with this chapter or an operational requirement under a provision  
 4009 applicable to a sublicense may result in disciplinary action in accordance with Chapter 3,  
 4010 Disciplinary Actions and Enforcement Act, against:

4011 (a) a principal licensee;

4012 (b) individual staff of a principal licensee;

4013 (c) a sublicensee or person otherwise operating under a sublicense;

4014 (d) individual staff of a sublicensee or person otherwise operating under a sublicense;

4015 or

4016 (e) any combination of the persons listed in Subsections (1)(a) through (d).

4017 (2) An operational requirement applicable to a sublicensee or person operating under a  
 4018 sublicense is enforced as provided by the provisions applicable to the sublicense.

4019 Section 70. Section **32B-8d-201** is enacted to read:

4020 **Part 2. Resort Spa Sublicense**

4021 **32B-8d-201. Title.**

4022 This part is known as "Resort Spa Sublicense."

4023 Section 71. Section **32B-8d-202**, which is renumbered from Section 32B-8-301 is  
 4024 renumbered and amended to read:

4025 ~~[32B-8-301].~~ **32B-8d-202. Commission's power to issue resort spa**  
 4026 **sublicense.**

4027 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of  
 4028 an alcoholic product on [its] the person's premises as a resort spa sublicensee, a resort licensee  
 4029 or a person applying for a resort license shall first obtain a resort spa sublicense from the  
 4030 commission in accordance with this part.

4031 (2) The commission may only issue a resort spa sublicense to ~~[establish a resort spa~~  
 4032 ~~license within the boundary of a resort building for the storage, sale, offer for sale, furnishing,~~  
 4033 ~~and consumption of liquor on premises operated as a resort spa.]:~~



4034 (a) a resort licensee; or

4035 (b) a person applying for a resort license, contingent on the issuance of the resort  
4036 license.

4037 (3) The resort spa sublicense premises shall fall entirely within the boundary of a resort  
4038 building that is part of the resort to which the resort spa sublicense is connected.

4039 Section 72. Section **32B-8d-203**, which is renumbered from Section 32B-8-302 is  
4040 renumbered and amended to read:

4041 ~~[32B-8-302].~~ **32B-8d-203. Specific licensing requirements for resort spa**  
4042 **sublicense.**

4043 (1) (a) ~~[A]~~ In accordance with Subsection [32B-8d-103\(2\)](#), a person may not file a  
4044 written application with the department to obtain a resort spa sublicense that is separate from  
4045 the application of the resort license, unless the person seeks the resort spa sublicense [is being  
4046 sought] after the [issuing of] commission issues the person a resort license.

4047 ~~[(2)]~~ (b) If a resort licensee seeks to add a resort spa sublicense after its resort license is  
4048 issued, the resort licensee shall comply with Subsection ~~[[32B-8-204\(3\)\(b\)](#)] 32B-8d-103(4).~~

4049 ~~[(3)]~~ (2) (a) A resort spa sublicense expires on October 31 of each year.

4050 (b) A resort licensee desiring to renew the resort licensee's resort spa sublicense shall  
4051 renew the resort spa sublicense as part of renewing the resort license.

4052 (c) Failure to meet the renewal requirements for a resort license results in an automatic  
4053 forfeiture of the resort spa sublicense effective on the date the resort license expires.

4054 Section 73. Section **32B-8d-204**, which is renumbered from Section 32B-8-303 is  
4055 renumbered and amended to read:

4056 ~~[32B-8-303].~~ **32B-8d-204. Specific qualifications for resort spa sublicense.**

4057 (1) A person employed to act in a supervisory or managerial capacity for the resort spa  
4058 sublicense is subject to qualification requirements of Section ~~[[32B-8-203](#)] 32B-1-304 for  
4059 licensees.~~

4060 (2) If a person no longer possesses the qualifications required by Section ~~[[32B-8-203](#)]~~  
4061 [32B-1-304](#) for obtaining the resort license or resort spa sublicense, the commission may

4062 suspend or revoke the resort spa sublicense that is part of the resort license.

4063 Section 74. Section **32B-8d-205**, which is renumbered from Section 32B-8-304 is  
4064 renumbered and amended to read:

4065 ~~[32B-8-304].~~ **32B-8d-205. Specific operational requirements for resort spa**  
4066 **sublicense.**

4067 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational  
4068 Requirements, a resort licensee~~;~~ and staff of the resort licensee~~;~~ or a person otherwise related  
4069 to a resort spa sublicense] shall comply with this section.

4070 (b) A resort spa sublicensee or a person otherwise operating under a resort spa  
4071 sublicense and staff of a resort spa sublicensee or a person otherwise operating under a resort  
4072 spa sublicense shall comply with:

4073 (i) Chapter 5, Part 3, Retail Licensee Operational Requirements as if the resort spa  
4074 sublicensee is a retail licensee, unless a provision conflicts with this chapter; and

4075 (ii) this chapter.

4076 ~~[(b)]~~ (c) Subject to Section **32B-8-502**, failure to comply as provided in Subsection  
4077 (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and  
4078 Enforcement Act, against:

4079 (i) a ~~[retail]~~ resort licensee;

4080 (ii) staff of the ~~[retail]~~ resort licensee;

4081 (iii) a resort spa sublicensee or person otherwise ~~[related to]~~ operating under a resort  
4082 spa sublicense; ~~[or]~~

4083 (iv) individual staff of a resort spa sublicensee or person otherwise operating under a  
4084 resort spa sublicense; or

4085 ~~[(iv)]~~ (v) any combination of the persons listed in ~~[this Subsection (1)(b)]~~ Subsections  
4086 (1)(c)(i) through (iv).

4087 (2) (a) For purposes of the resort spa sublicense, the resort licensee shall ensure that ~~[a~~  
4088 ~~record required by this title is maintained, and]~~ a record is maintained or used for the resort spa  
4089 sublicense:

- 4090 (i) as the department requires; and
- 4091 (ii) for a minimum period of three years.
- 4092 (b) A resort spa sublicensee record is subject to inspection by an authorized
- 4093 representative of the commission and the department.
- 4094 (c) A resort licensee shall allow the department, through [~~an auditor or examiner~~] a
- 4095 compliance officer of the department, to audit the records for a resort spa sublicense at the
- 4096 times the department considers advisable.
- 4097 (d) The department shall audit the records for a resort spa sublicense at least once
- 4098 annually.
- 4099 (e) Section 32B-1-205 applies to a record required to be made, maintained, or used in
- 4100 accordance with this Subsection (2).
- 4101 (3) (a) A resort spa sublicensee or person operating under a resort spa sublicense may
- 4102 not sell, offer for sale, or furnish liquor at a resort spa during a period that:
- 4103 (i) begins at 1 a.m.; and
- 4104 (ii) ends at 9:59 a.m.
- 4105 (b) A resort spa sublicensee or person operating under a resort spa sublicense may sell,
- 4106 offer for sale, or furnish beer during the hours specified in Chapter 6, Part 7, On-Premise Beer
- 4107 Retailer License, for an on-premise beer retailer.
- 4108 (c) (i) Notwithstanding Subsections (3)(a) and (b), a resort spa shall remain open for
- 4109 one hour after the resort spa ceases the sale and furnishing of an alcoholic product during
- 4110 which time a person at the resort spa may finish consuming:
- 4111 (A) a single drink containing spirituous liquor;
- 4112 (B) a single serving of wine not exceeding five ounces;
- 4113 (C) a single serving of heavy beer;
- 4114 (D) a single serving of beer not exceeding 26 ounces; or
- 4115 (E) a single serving of a flavored malt beverage.
- 4116 (ii) A resort spa is not required to remain open:
- 4117 (A) after all [~~persons~~] individuals have vacated the resort spa [~~sublicense~~] sublicensee's

4118 sublicensed premises; or

4119 (B) during an emergency.

4120 (4) (a) A minor may not be admitted into, use, or be on[~~-(a)~~] the [~~sublicense~~]

4121 sublicensed premises of a resort spa sublicense unless accompanied by [~~a person~~] an individual

4122 21 years of age or older[~~;-or~~].

4123 (b) A minor permitted under Subsection (4)(a) to be admitted into, use, or be on the

4124 sublicensed premises of a resort spa sublicense:

4125 [~~(b)~~] (i) may only be admitted into or be on a lounge or bar area of the resort spa

4126 [~~sublicense~~] sublicensee's sublicensed premises[-] momentarily while en route to another area

4127 of the resort spa; and

4128 (ii) may not remain or sit in the lounge or bar area of the resort spa sublicensee's

4129 sublicensed premises.

4130 (5) A resort spa sublicensee shall have food available at all times when an alcoholic

4131 product is sold, offered for sale, furnished, or consumed on the resort spa [~~sublicense~~]

4132 sublicensee's sublicensed premises.

4133 (6) (a) Subject to the other provisions of this Subsection (6), a patron may not have

4134 more than two alcoholic products of any kind at a time before the patron.

4135 (b) A resort spa patron may not have two spirituous liquor drinks before the resort spa

4136 patron if one of the spirituous liquor drinks consists only of the primary spirituous liquor for

4137 the other spirituous liquor drink.

4138 (c) An individual portion of wine is considered to be one alcoholic product under this

4139 Subsection (6).

4140 (7) (a) An alcoholic product may only be consumed at a table or counter.

4141 (b) An alcoholic product may not be served to or consumed by a patron at a dispensing

4142 structure.

4143 (8) (a) A resort spa sublicensee or person operating under a resort spa sublicense shall

4144 have available on the resort spa [~~sublicense~~] sublicense's sublicensed premises for a patron to

4145 review at the time that the patron requests it, a written alcoholic product price list or a menu

4146 containing the price of an alcoholic product sold or furnished by the resort spa sublicensee  
4147 including:

- 4148 (i) a set-up charge;
- 4149 (ii) a service charge; or
- 4150 (iii) a chilling fee.

4151 (b) A charge or fee made in connection with the sale, service, or consumption of liquor  
4152 may be stated in food or alcoholic product menus including:

- 4153 (i) a set-up charge;
- 4154 (ii) a service charge; or
- 4155 (iii) a chilling fee.

4156 (9) (a) A resort licensee shall own or lease premises suitable for the resort [~~spa's~~] spa  
4157 sublicensee's activities.

4158 (b) A resort licensee may not maintain premises in a manner that barricades or conceals  
4159 the resort spa sublicensee's operation.

4160 (10) Subject to the other provisions of this section, a resort spa sublicensee or person  
4161 operating under a resort spa sublicense may not sell an alcoholic product to or allow [~~a person~~]  
4162 an individual to be admitted to or use the resort spa [~~sublicense~~] sublicensee's sublicensed  
4163 premises other than:

- 4164 (a) a resident; or
- 4165 (b) a customer.

4166 [~~(b) a public customer who holds a valid customer card issued under Subsection (12);~~  
4167 ~~or]~~

4168 [~~(c) an invitee.]~~

4169 [~~(11) A person operating under a resort spa sublicense may allow an individual to be~~  
4170 ~~admitted to or use the resort spa sublicense premises as an invitee subject to the following~~  
4171 ~~conditions:]~~

4172 [~~(a) the individual shall be previously authorized by one of the following who agrees to~~  
4173 ~~host the individual as an invitee into the resort spa:]~~

- 4174 ~~[(i) a resident; or]~~  
4175 ~~[(ii) a public customer as described in Subsection (10);]~~  
4176 ~~[(b) the individual has only those privileges derived from the individual's host for the~~  
4177 ~~duration of the invitee's visit to the resort spa; and]~~  
4178 ~~[(c) a resort licensee, resort spa, or staff of the resort licensee or resort spa may not~~  
4179 ~~enter into an agreement or arrangement with a resident or public customer to indiscriminately~~  
4180 ~~host a member of the general public into the resort spa as an invitee.]~~  
4181 ~~[(12) A person operating under a resort spa sublicense may issue a customer card to~~  
4182 ~~allow an individual to enter and use the resort spa sublicense premises on a temporary basis~~  
4183 ~~under the following conditions:]~~  
4184 ~~[(a) the resort spa may not issue a customer card for a time period that exceeds three~~  
4185 ~~weeks;]~~  
4186 ~~[(b) the resort spa shall assess a fee to a public customer for a customer card;]~~  
4187 ~~[(c) the resort spa may not issue a customer card to a minor; and]~~  
4188 ~~[(d) a public customer may not host more than seven invitees at one time.]~~  
4189 Section 75. Section **32B-9-201** is amended to read:  
4190 **32B-9-201. Application requirements for event permit.**  
4191 (1) To obtain an event permit, a person shall submit to the department:  
4192 (a) a written application in a form that the department prescribes;  
4193 (b) an event permit fee:  
4194 (i) in the amount specified in the relevant part under this chapter for the type of event  
4195 permit for which the person is applying; and  
4196 (ii) that is refundable if an event permit is not issued;  
4197 (c) written consent of the local authority;  
4198 (d) a bond as specified by Section [32B-9-203](#);  
4199 (e) the times, dates, location, estimated attendance, nature, and purpose of the event;  
4200 (f) a description or floor plan designating:  
4201 (i) the area in which the person proposes that an alcoholic product be stored;

4202 (ii) the site from which the person proposes that an alcoholic product be sold, offered  
 4203 for sale, or furnished; and

4204 (iii) the area in which the person proposes that an alcoholic product be allowed to be  
 4205 consumed;

4206 (g) a signed consent form stating that the event permittee will permit any authorized  
 4207 representative of the commission, department, or any law enforcement officer to have  
 4208 unrestricted right to enter the premises during the event;

4209 (h) if the person is an entity, proper verification evidencing that a person who signs the  
 4210 application is authorized to sign on behalf of the entity; and

4211 (i) any other information as the commission or department may require.

4212 (2) If a person substantially changes the person's application under Subsection (1) after  
 4213 the person initially submits the application, the person shall pay to the department a fee:

4214 (a) in an amount the department prescribes in accordance with Section [63J-1-504](#); and

4215 (b) that is nonrefundable, regardless of whether the department issues an event permit.

4216 ~~[(2)]~~ (3) An entity applying for a permit need not meet the requirements of Subsections  
 4217 (1)(b), (c), and (d) if the entity is:

4218 (a) a state agency; or

4219 (b) a political subdivision of the state.

4220 ~~[(3)]~~ (4) The director may not issue an event permit to a person who is disqualified  
 4221 under Section [32B-1-304](#).

4222 ~~[(4)]~~ (5) (a) The proximity requirements of Section [32B-1-202](#) do not apply to an event  
 4223 permit.

4224 (b) Notwithstanding Subsection ~~[(4)]~~ (5)(a), nothing in this section prevents the  
 4225 director, the Compliance, Licensing, and Enforcement Subcommittee, or the commission from  
 4226 considering the proximity of an educational, religious, or recreational facility, or any other  
 4227 relevant factor in deciding whether to issue an event permit.

4228 Section 76. Section **32B-10-206** is amended to read:

4229 **32B-10-206. General operational requirements for special use permit.**

4230 (1) (a) A special use permittee and staff of the special use permittee shall comply with  
4231 this title and rules of the commission, including the relevant part of the chapter that applies to  
4232 the type of special use permit held by the special use permittee.

4233 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
4234 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

4235 (i) a special use permittee;

4236 (ii) individual staff of a special use permittee; or

4237 (iii) a special use permittee and staff of the special use permittee.

4238 (c) The commission may suspend or revoke a special use permit with or without cause.

4239 (2) (a) If there is a conflict between this part and the relevant part under this chapter for  
4240 the specific type of special use permit, the relevant part under this chapter governs.

4241 (b) Notwithstanding that this part may refer to "liquor" or an "alcoholic product," a  
4242 special use permittee may only purchase, use, store, sell, offer for sale, allow consumption, or  
4243 manufacture an alcoholic product authorized for the special use permit that is held by the  
4244 special use permittee.

4245 (c) Notwithstanding that this part or the relevant part under this chapter for the type of  
4246 special use permit held by a special use permittee refers to "special use permittee," a person  
4247 involved in the purchase, use, store, sell, offer for sale, allow consumption, or manufacture of  
4248 an alcoholic product for which the special use permit is issued is subject to the same  
4249 requirement or prohibition.

4250 (3) (a) A special use permittee shall make and maintain a record, as required by  
4251 commission rule, of any alcoholic product purchased, used, sold, or manufactured.

4252 (b) Section [32B-1-205](#) applies to a record required to be made or maintained in  
4253 accordance with this Subsection (3).

4254 (4) (a) Except as otherwise provided in this title, a special use permittee may not  
4255 purchase liquor except from a state store or package agency.

4256 (b) A special use permittee may transport liquor purchased by the special use permittee  
4257 in accordance with this Subsection (4) from the place of purchase to the special use permittee's



4258 premises.

4259 (c) A special use permittee shall purchase liquor at prices set by the commission.

4260 (d) When authorized by a special use permit, a special use permittee may purchase and  
4261 receive an alcoholic product directly from a manufacturer for a purpose that is industrial,  
4262 educational, scientific, or manufacturing.

4263 (e) A health care facility may purchase and receive an alcoholic product directly from a  
4264 manufacturer for use at the health care facility.

4265 (5) A special use permittee may not use, mix, store, sell, offer for sale, furnish,  
4266 manufacture, or allow consumption of an alcoholic product in a location other than as  
4267 designated in a special use permittee's application.

4268 (6) Except as otherwise provided, a special use permittee may not sell, offer for sale, or  
4269 furnish an alcoholic product to:

4270 (a) a minor;

4271 (b) a person actually, apparently, or obviously intoxicated;

4272 (c) a known interdicted person; or

4273 (d) a known habitual drunkard.

4274 (7) A special use permittee may not employ a minor to handle an alcoholic product.

4275 (8) (a) The location specified in a special use permit may not be transferred from one  
4276 location to another location, [~~without prior written approval of the commission~~], except as  
4277 provided in Chapter 8a, Transfer of Alcohol License Act.

4278 (b) A special use permittee may not sell, transfer, assign, exchange, barter, give, or  
4279 attempt in any way to dispose of the permit to another person whether for monetary gain or not,  
4280 except as provided in Chapter 8a, Transfer of Alcohol License Act.

4281 (9) A special use permittee may not purchase, use, mix, store, sell, offer for sale,  
4282 furnish, consume, or manufacture an alcoholic product for a purpose other than that authorized  
4283 by the special use permit.

4284 (10) The commission may prescribe by policy or rule consistent with this title, the  
4285 general operational requirements of a special use permittee relating to:

- 4286 (a) physical facilities;
- 4287 (b) conditions of purchase, use, storage, sale, consumption, or manufacture of an
- 4288 alcoholic product;
- 4289 (c) purchase, storage, and sales quantity limitations; and
- 4290 (d) other matters considered appropriate by the commission.

4291 Section 77. Section **32B-11-208** is amended to read:

4292 **32B-11-208. General operational requirements for manufacturing license.**

4293 (1) (a) A manufacturing licensee and staff of the manufacturing licensee shall comply  
4294 with this title and the rules of the commission, including the relevant part of this chapter  
4295 applicable to the type of manufacturing license held by the manufacturing licensee.

4296 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action  
4297 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

- 4298 (i) a manufacturing licensee;
- 4299 (ii) individual staff of a manufacturing licensee; or
- 4300 (iii) a manufacturing licensee and staff of the manufacturing licensee.

4301 (2) A manufacturing licensee shall prominently display the manufacturing license on  
4302 the licensed premises.

4303 (3) (a) A manufacturing licensee shall make and maintain the records required by the  
4304 department.

4305 (b) Section **32B-1-205** applies to a record required to be made or maintained in  
4306 accordance with this Subsection (3).

4307 (4) A manufacturing licensee may not sell liquor within the state except to:

- 4308 (a) the department; or
- 4309 (b) a military installation.

4310 (5) A manufacturing license may not be transferred from one location to another  
4311 location, [~~without prior written approval of the commission~~] except as provided in Chapter 8a,  
4312 Transfer of Alcohol License Act.

4313 (6) (a) A manufacturing licensee may not sell, transfer, assign, exchange, barter, give,

4314 or attempt in any way to dispose of the license to another person, whether for monetary gain or  
4315 not, except as provided in Chapter 8a, Transfer of Alcohol License Act.

4316 (b) A manufacturing license has no monetary value for any type of disposition.

4317 (7) A manufacturing licensee may not advertise [~~its~~] the manufacturing licensee's  
4318 product in violation of this title or any other federal or state law, except that nothing in this title  
4319 prohibits the advertising or solicitation of an order for industrial alcohol from a holder of a  
4320 special use permit.

4321 (8) A manufacturing licensee shall from time to time, on request of the department,  
4322 furnish for analytical purposes a sample of the alcoholic product that the manufacturing  
4323 licensee has:

4324 (a) for sale; or

4325 (b) in the course of manufacture for sale in this state.

4326 (9) The commission may prescribe by policy or rule, consistent with this title, the  
4327 general operational requirements of a manufacturing licensee relating to:

4328 (a) physical facilities;

4329 (b) conditions of storage, sale, or manufacture of an alcoholic product;

4330 (c) storage and sales quantity limitations; and

4331 (d) other matters considered appropriate by the commission.

4332 Section 78. Section **32B-11-403** is amended to read:

4333 **32B-11-403. Specific authority and operational requirements for distillery**  
4334 **manufacturing license.**

4335 (1) A distillery manufacturing license allows a distillery manufacturing licensee to:

4336 (a) store, manufacture, transport, import, or export liquor;

4337 (b) sell liquor to:

4338 (i) the department;

4339 (ii) an out-of-state customer; and

4340 (iii) as provided in Subsection (2);

4341 (c) purchase an alcoholic product for mixing and manufacturing purposes if the

4342 department is notified of:

4343 (i) the purchase; and

4344 (ii) the date of delivery; ~~and~~

4345 (d) warehouse on ~~its~~ the distillery manufacturing licensee's licensed premises an  
4346 alcoholic product that the distillery manufacturing licensee manufactures or purchases for  
4347 manufacturing purposes~~[-]~~;

4348 (e) if the distillery manufacturing licensee holds two or more distillery manufacturing  
4349 licenses under this chapter, transport an alcoholic product from one of the distillery  
4350 manufacturing licensee's licensed premises to another, if the transportation occurs for the  
4351 purpose of:

4352 (i) continuing or completing the manufacturing process; or

4353 (ii) storing a bulk container or an alcoholic product that is distilled and packaged in the  
4354 state, including the transport of an alcoholic product to a package agency located at any of the  
4355 distillery manufacturing licensee's licensed premises; and

4356 (f) receive samples of an alcoholic product from a person outside the state for the sole  
4357 purpose of performing tests and analysis, if the distillery manufacturing licensee:

4358 (i) performs the tests and analysis in accordance with 27 C.F.R. Secs. 19.434(a), (c),  
4359 (d), (e), and (f), Secs. 19.435 through 19.437, and Sec. 19.616;

4360 (ii) keeps records of the samples received, including:

4361 (A) all data required under 27 C.F.R. Sec. 19.616;

4362 (B) a description of the sample; and

4363 (C) the date the distillery manufacturing licensee receives the sample; and

4364 (iii) upon request, provides the records described in Subsection (1)(f)(ii) to the  
4365 department.

4366 (2) (a) Subject to the other provisions of this Subsection (2), a distillery manufacturing  
4367 licensee may directly sell an alcoholic product to a person engaged within the state in:

4368 (i) a mechanical or industrial business that requires the use of an alcoholic product; or

4369 (ii) scientific pursuits that require the use of an alcoholic product.

4370 (b) A person who purchases an alcoholic product under Subsection (2)(a) shall hold a  
4371 valid special use permit issued in accordance with Chapter 10, Special Use Permit Act,  
4372 authorizing the use of the alcoholic product.

4373 (c) A distillery manufacturing licensee may sell to a special use permittee described in  
4374 Subsection (2)(b) an alcoholic product only in the type for which the special use permit  
4375 provides.

4376 (d) The sale of an alcoholic product under this Subsection (2) is subject to rules  
4377 prescribed by the department and the federal government.

4378 (3) The federal definitions, standards of identity and quality, and labeling requirements  
4379 for distilled liquor, in the regulations issued under Federal Alcohol Administration Act, 27  
4380 U.S.C. Sec. 201 et seq., are adopted to the extent the regulations are not contrary to or  
4381 inconsistent with laws of this state.

4382 (4) If considered necessary, the commission or department may require:

4383 (a) the alteration of the plant, equipment, or licensed premises;

4384 (b) the alteration or removal of unsuitable alcoholic product-making equipment or  
4385 material;

4386 (c) a distillery manufacturing licensee to clean, disinfect, ventilate, or otherwise  
4387 improve the sanitary and working conditions of the plant, licensed premises, and equipment; or

4388 (d) that a record pertaining to the materials and ingredients used in the manufacture of  
4389 an alcoholic product be made available to the commission or department upon request.

4390 (5) A distillery manufacturing licensee may not permit an alcoholic product to be  
4391 consumed on ~~[its]~~ the distillery manufacturing licensee's premises, except that:

4392 (a) a distillery manufacturing licensee may allow ~~[its]~~ the distillery manufacturing  
4393 licensee's on-duty staff to taste on the licensed premises an alcoholic product that the distillery  
4394 manufacturing licensee manufactures on ~~[its]~~ the distillery manufacturing licensee's licensed  
4395 premises without charge, but only in connection with the on-duty staff's duties of  
4396 manufacturing the alcoholic product during the manufacturing process and not otherwise;

4397 (b) a distillery manufacturing licensee may allow a person who can lawfully purchase

4398 an alcoholic product for wholesale or retail distribution to consume a bona fide sample of the  
4399 distillery manufacturing licensee's product on the licensed premises; and

4400 (c) a distillery manufacturing licensee may conduct tastings as provided in Section  
4401 [32B-11-210](#).

4402 Section 79. Section **63I-2-232** is amended to read:

4403 **63I-2-232. Repeal dates -- Title 32B.**

4404 (1) Subsection [32B-1-102](#)~~[(7)]~~(9) is repealed July 1, 2022.

4405 ~~[(2) Section [32B-1-207.1](#) is repealed November 1, 2019.]~~

4406 ~~[(3)]~~ (2) Subsection [32B-1-407](#)(3)(d) is repealed July 1, 2022.

4407 ~~[(4)]~~ (3) Section [32B-2-211.1](#) is repealed November 1, 2020.

4408 ~~[(5)]~~ (4) Subsections [32B-6-202](#)(3) and (4) are repealed July 1, 2022.

4409 ~~[(6)]~~ (5) Section [32B-6-205](#) is repealed July 1, 2022.

4410 ~~[(7)]~~ (6) Subsection [32B-6-205.2](#)~~[(14)]~~(16) is repealed July 1, 2022.

4411 ~~[(8)]~~ (7) Section [32B-6-205.3](#) is repealed July 1, 2022.

4412 ~~[(9)]~~ (8) Subsections [32B-6-302](#)(3) and (4) are repealed July 1, 2022.

4413 ~~[(10)]~~ (9) Section [32B-6-305](#) is repealed July 1, 2022.

4414 ~~[(11)]~~ (10) Subsection [32B-6-305.2](#)~~[(14)]~~(15) is repealed July 1, 2022.

4415 ~~[(12)]~~ (11) Section [32B-6-305.3](#) is repealed July 1, 2022.

4416 ~~[(13)]~~ (12) Section [32B-6-404.1](#) is repealed July 1, 2022.

4417 ~~[(14)]~~ (13) Section [32B-6-409](#) is repealed July 1, 2022.

4418 ~~[(15)]~~ (14) Subsection [32B-6-703](#)(2)(e)(iv) is repealed July 1, 2022.

4419 ~~[(16)]~~ (15) Subsections [32B-6-902](#)(1)(c), (1)(d), and (2) are repealed July 1, 2022.

4420 ~~[(17)]~~ (16) Section [32B-6-905](#) is repealed July 1, 2022.

4421 ~~[(18)]~~ (17) Subsection [32B-6-905.1](#)(15) is repealed July 1, 2022.

4422 ~~[(19)]~~ (18) Section [32B-6-905.2](#) is repealed July 1, 2022.

4423 ~~[(20) Subsection [32B-8-402](#)(1)(b) is repealed July 1, 2022.]~~

4424 (19) Subsection [32B-8d-104](#)(3) is repealed July 1, 2022.

4425 Section 80. **Repealer.**

- 4426 This bill repeals:
- 4427 Section **32B-8-203**, **Specific qualifications for resort license.**
- 4428 Section **32B-8-204**, **Commission and department duties before issuing resort**
- 4429 **license.**
- 4430 Section **32B-8-402**, **Specific operational requirements for a sublicense.**
- 4431 Section **32B-8-503**, **Enforcement of Nuisance Retail Licensee Act.**
- 4432 Section **32B-8b-203**, **Qualifications for hotel license and sublicense.**
- 4433 Section **32B-8b-204**, **Commission and department duties before issuing hotel**
- 4434 **license.**
- 4435 Section **32B-8b-302**, **Specific operational requirements for a sublicense.**
- 4436 Section **32B-8b-402**, **Enforcement of Nuisance Retail Licensee Act.**