

Representative Timothy D. Hawkes proposes the following substitute bill:

ALCOHOL AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Timothy D. Hawkes

Senate Sponsor: Jerry W. Stevenson

LONG TITLE

General Description:

This bill modifies and enacts provisions related to alcohol.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides a tolerance for the alcohol content of beer;
- ▶ modifies which individuals associated with an applicant are subject to a criminal background check by the Alcoholic Beverage Control Commission;
- ▶ amends the deadline for a retail manager or an off-premise retail manager to complete the department's manager training program;
- ▶ clarifies how the department determines eligibility for the small manufacturer markup;
- ▶ prohibits a person from maintaining a minibar in a hotel guest room;
- ▶ authorizes interim alcoholic beverage management agreements and inventory transfer agreements, under certain circumstances;
- ▶ requires each employee of a retail license who sells, offers for sale, or furnishes an alcoholic product to wear an identification badge;
- ▶ allows a retail licensee to unlock a liquor storage area for the purpose of performing



26 inventory, restocking, repairing, or cleaning;

27 ▶ provides that a retail licensee may sell, offer for sale, or furnish beer to a patron in
28 more than one container;

29 ▶ provides that a closing retail licensee may transfer its inventory of alcoholic product
30 to another retail licensee owned by the same person;

31 ▶ permits a minor who is at least 16 years of age and employed by the restaurant to be
32 present in the restaurant's dispensing area;

33 ▶ provides that a performing arts facility may hold an on-premise banquet license;

33a **Ŝ→** ▶ **allows an off-premise beer retailer to sell, offer for sale, or furnish beer through a**
33b **drive through window, at a drive-up loading area, or at a designated parking stall;** ←Ŝ

34 ▶ allows certain manufacturing package agencies to hold an off-premise beer retailer
35 state license for the same premises, provided the licensee only sells beer that is the
36 product of the manufacturing licensee that holds the package agency;

37 ▶ permits a brewery manufacturing licensee to transport beer, heavy beer, or flavored
38 malt beverage between licensed premisses under certain circumstances;

39 ▶ enacts the Liquor Transport License Act, which authorizes the commission to issue
40 liquor transport licenses under which a person may transport liquor from a state
41 store or package agency to a retail licensee; and

42 ▶ makes technical and conforming changes.

43 **Money Appropriated in this Bill:**

44 None

45 **Other Special Clauses:**

46 None

47 **Utah Code Sections Affected:**

48 AMENDS:

49 **32B-1-102**, as last amended by Laws of Utah 2018, Chapters 249 and 313

50 **32B-1-305**, as last amended by Laws of Utah 2017, Chapter 455

51 **32B-1-606**, as last amended by Laws of Utah 2018, Chapter 249

52 **32B-2-202**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 7

53 **32B-2-204**, as enacted by Laws of Utah 2010, Chapter 276

54 **32B-2-304**, as last amended by Laws of Utah 2018, Chapters 313, 329, and 415

55 **32B-2-605**, as last amended by Laws of Utah 2018, Chapter 249

56 **32B-5-102**, as enacted by Laws of Utah 2010, Chapter 276

- 57 [32B-5-207](#), as last amended by Laws of Utah 2018, Chapter 249
- 58 [32B-5-301](#), as last amended by Laws of Utah 2011, Chapter 334
- 59 [32B-5-303](#), as last amended by Laws of Utah 2011, Chapter 307
- 60 [32B-5-304](#), as last amended by Laws of Utah 2011, Chapters 307 and 334
- 61 [32B-5-306](#), as enacted by Laws of Utah 2010, Chapter 276
- 62 [32B-5-308](#), as last amended by Laws of Utah 2018, Chapter 249
- 63 [32B-5-310](#), as enacted by Laws of Utah 2010, Chapter 276
- 64 [32B-6-203](#), as last amended by Laws of Utah 2017, Chapter 471
- 65 [32B-6-205](#), as last amended by Laws of Utah 2018, Chapter 249
- 66 [32B-6-205.2](#), as last amended by Laws of Utah 2018, Chapters 249 and 281
- 67 [32B-6-206](#), as enacted by Laws of Utah 2013, Chapter 349
- 68 [32B-6-303](#), as last amended by Laws of Utah 2017, Chapter 471
- 69 [32B-6-305](#), as last amended by Laws of Utah 2018, Chapter 249
- 70 [32B-6-305.2](#), as last amended by Laws of Utah 2018, Chapters 249 and 281
- 71 [32B-6-603](#), as last amended by Laws of Utah 2016, Chapter 82
- 72 [32B-6-605](#), as last amended by Laws of Utah 2018, Chapter 249
- 73 [32B-6-702](#), as last amended by Laws of Utah 2011, Second Special Session, Chapter 2
- 74 [32B-6-703](#), as last amended by Laws of Utah 2017, Chapter 455
- 75 [32B-6-803](#), as last amended by Laws of Utah 2016, Chapter 82
- 76 [32B-6-805](#), as last amended by Laws of Utah 2012, Chapter 365
- 77 [32B-6-902](#), as last amended by Laws of Utah 2018, Chapters 249 and 281
- 78 [32B-6-903](#), as last amended by Laws of Utah 2017, Chapter 471
- 79 [32B-6-905](#), as last amended by Laws of Utah 2018, Chapter 249
- 80 [32B-6-905.1](#), as last amended by Laws of Utah 2018, Chapters 249 and 281
- 80a **Ŝ→ 32B-7-202, as last amended by Laws of Utah 2018, Chapter 249 ←Ŝ**
- 81 [32B-11-503](#), as last amended by Laws of Utah 2016, Chapter 266
- 82 [62A-15-401](#), as last amended by Laws of Utah 2018, Chapters 249 and 281
- 83 [63I-2-232](#), as last amended by Laws of Utah 2018, Chapters 249 and 313
- 84 ENACTS:
- 85 [32B-7-407](#), Utah Code Annotated 1953
- 86 [32B-7-408](#), Utah Code Annotated 1953
- 87 [32B-17-101](#), Utah Code Annotated 1953

- 88 **32B-17-201**, Utah Code Annotated 1953
- 89 **32B-17-202**, Utah Code Annotated 1953
- 90 **32B-17-203**, Utah Code Annotated 1953
- 91 **32B-17-204**, Utah Code Annotated 1953
- 92 **32B-17-205**, Utah Code Annotated 1953
- 93 **32B-17-206**, Utah Code Annotated 1953
- 94 **32B-17-301**, Utah Code Annotated 1953
- 95 **32B-17-302**, Utah Code Annotated 1953

96 RENUMBERS AND AMENDS:

97 **32B-1-701**, (Renumbered from 32B-5-402, as last amended by Laws of Utah 2017,
98 Chapter 455)

99 **32B-1-702**, (Renumbered from 32B-5-403, as last amended by Laws of Utah 2017,
100 Chapter 455)

101 **32B-1-703**, (Renumbered from 32B-5-404, as last amended by Laws of Utah 2017,
102 Chapter 455)

103 **32B-1-704**, (Renumbered from 32B-5-405, as last amended by Laws of Utah 2018,
104 Chapter 249)

105 **32B-1-705**, (Renumbered from 32B-5-406, as last amended by Laws of Utah 2018,
106 Chapter 249)

107 REPEALS:

108 **32B-5-401**, as enacted by Laws of Utah 2010, Chapter 276

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

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

112 **32B-1-102. Definitions.**

113 As used in this title:

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

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

116 (b) that is located at an international airport with a United States Customs office on the
117 premises of the international airport.

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

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

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

121 (a) beer; or

122 (b) liquor.

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

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

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

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

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

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

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

130 otherwise come within the definition of an alcoholic product:

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

132 (ii) vinegar;

133 (iii) preserved nonintoxicating cider;

134 (iv) essence;

135 (v) tincture;

136 (vi) food preparation; or

137 (vii) an over-the-counter medicine.

138 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation

139 when it is used as a flavoring in the manufacturing of an alcoholic product.

140 (5) "Alcohol training and education seminar" means a seminar that is:

141 (a) required by Chapter 5, Part 4, Alcohol Training and Education Act; and

142 (b) described in Section [62A-15-401](#).

143 (6) "Banquet" means ~~an~~ a private event:

144 (a) that is held at one or more designated locations approved by the commission in or

145 on the premises of a:

146 (i) hotel;

147 (ii) resort facility;

148 (iii) sports center; ~~or~~

149 (iv) convention center; or

- 150 (v) performing arts facility;
151 (b) for which there is a contract:
152 (i) between a person operating a facility listed in Subsection (6)(a) and another person;
153 and
154 (ii) under which the person operating a facility listed in Subsection (6)(a) is required to
155 provide an alcoholic product at the event; and
156 (c) at which food and alcoholic products may be sold, offered for sale, or furnished.
157 (7) "Bar structure" means a surface or structure on a licensed premises if on or at any
158 place of the surface or structure an alcoholic product is:
159 (a) stored; or
160 (b) dispensed.
161 (8) (a) "Bar establishment license" means a license issued in accordance with Chapter
162 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.
163 (b) "Bar establishment license" includes:
164 (i) a dining club license;
165 (ii) an equity license;
166 (iii) a fraternal license; or
167 (iv) a bar license.
168 (9) "Bar license" means a license issued in accordance with Chapter 5, Retail License
169 Act, and Chapter 6, Part 4, Bar Establishment License.
170 (10) (a) Subject to Subsection (10)(d), "beer" means a product that:
171 (i) contains at least .5% of alcohol by volume, but not more than:
172 (A) 4% of alcohol by volume, plus a tolerance of 0.18%; or
173 (B) 3.2% by weight, plus a tolerance of 0.15%; and
174 (ii) is obtained by fermentation, infusion, or decoction of malted grain.
175 (b) "Beer" may or may not contain hops or other vegetable products.
176 (c) "Beer" includes a product that:
177 (i) contains alcohol in the percentages described in Subsection (10)(a); and
178 (ii) is referred to as:
179 (A) beer;
180 (B) ale;

- 181 (C) porter;
- 182 (D) stout;
- 183 (E) lager; or
- 184 (F) a malt or malted beverage.
- 185 (d) "Beer" does not include a flavored malt beverage.
- 186 (11) "Beer-only restaurant license" means a license issued in accordance with Chapter
- 187 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.
- 188 (12) "Beer retailer" means a business that:
- 189 (a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
- 190 for consumption on or off the business premises; and
- 191 (b) is licensed as:
- 192 (i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
- 193 Retailer Local Authority; or
- 194 (ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
- 195 Chapter 6, Part 7, On-Premise Beer Retailer License.
- 196 (13) "Beer wholesaling license" means a license:
- 197 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
- 198 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
- 199 retail licensees or off-premise beer retailers.
- 200 (14) "Billboard" means a public display used to advertise, including:
- 201 (a) a light device;
- 202 (b) a painting;
- 203 (c) a drawing;
- 204 (d) a poster;
- 205 (e) a sign;
- 206 (f) a signboard; or
- 207 (g) a scoreboard.
- 208 (15) "Brewer" means a person engaged in manufacturing:
- 209 (a) beer;
- 210 (b) heavy beer; or
- 211 (c) a flavored malt beverage.

212 (16) "Brewery manufacturing license" means a license issued in accordance with
213 Chapter 11, Part 5, Brewery Manufacturing License.

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

216 (18) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
217 a bus company to a group of persons pursuant to a common purpose:

218 (a) under a single contract;

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

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

222 (19) "Church" means a building:

223 (a) set apart for worship;

224 (b) in which religious services are held;

225 (c) with which clergy is associated; and

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

227 (20) "Commission" means the Alcoholic Beverage Control Commission created in
228 Section [32B-2-201](#).

229 (21) "Commissioner" means a member of the commission.

230 (22) "Community location" means:

231 (a) a public or private school;

232 (b) a church;

233 (c) a public library;

234 (d) a public playground; or

235 (e) a public park.

236 (23) "Community location governing authority" means:

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

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

241 (24) "Container" means a receptacle that contains an alcoholic product, including:

242 (a) a bottle;

- 243 (b) a vessel; or
- 244 (c) a similar item.
- 245 (25) "Convention center" means a facility that is:
- 246 (a) in total at least 30,000 square feet; and
- 247 (b) otherwise defined as a "convention center" by the commission by rule.
- 248 (26) (a) "Counter" means a surface or structure in a dining area of a licensed premises
- 249 where seating is provided to a patron for service of food.
- 250 (b) "Counter" does not include a dispensing structure.
- 251 (27) "Crime involving moral turpitude" is as defined by the commission by rule.
- 252 [~~(27)~~] (28) "Department" means the Department of Alcoholic Beverage Control created
- 253 in Section [32B-2-203](#).
- 254 [~~(28)~~] (29) "Department compliance officer" means an individual who is:
- 255 (a) an auditor or inspector; and
- 256 (b) employed by the department.
- 257 [~~(29)~~] (30) "Department sample" means liquor that is placed in the possession of the
- 258 department for testing, analysis, and sampling.
- 259 [~~(30)~~] (31) "Dining club license" means a license issued in accordance with Chapter 5,
- 260 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
- 261 commission as a dining club license.
- 262 [~~(31)~~] (32) "Director," unless the context requires otherwise, means the director of the
- 263 department.
- 264 [~~(32)~~] (33) "Disciplinary proceeding" means an adjudicative proceeding permitted
- 265 under this title:
- 266 (a) against a person subject to administrative action; and
- 267 (b) that is brought on the basis of a violation of this title.
- 268 [~~(33)~~] (34) (a) Subject to Subsection [~~(33)~~] (34)(b), "dispense" means:
- 269 (i) drawing an alcoholic product; and
- 270 (ii) using the alcoholic product at the location from which it was drawn to mix or
- 271 prepare an alcoholic product to be furnished to a patron of the retail licensee.
- 272 (b) The definition of "dispense" in this Subsection [~~(33)~~] (34) applies only to:
- 273 (i) a full-service restaurant license;

274 (ii) a limited-service restaurant license;

275 (iii) a reception center license; and

276 (iv) a beer-only restaurant license.

277 [~~34~~] (35) "Dispensing structure" means a surface or structure on a licensed premises:

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

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

280 [~~35~~] (36) "Distillery manufacturing license" means a license issued in accordance
281 with Chapter 11, Part 4, Distillery Manufacturing License.

282 [~~36~~] (37) "Distressed merchandise" means an alcoholic product in the possession of
283 the department that is saleable, but for some reason is unappealing to the public.

284 [~~37~~] (38) "Educational facility" includes:

285 (a) a nursery school;

286 (b) an infant day care center; and

287 (c) a trade and technical school.

288 [~~38~~] (39) "Equity license" means a license issued in accordance with Chapter 5,
289 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
290 commission as an equity license.

291 [~~39~~] (40) "Event permit" means:

292 (a) a single event permit; or

293 (b) a temporary beer event permit.

294 [~~40~~] (41) "Exempt license" means a license exempt under Section [32B-1-201](#) from
295 being considered in determining the total number of retail licenses that the commission may
296 issue at any time.

297 [~~41~~] (42) (a) "Flavored malt beverage" means a beverage:

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

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

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

304 (iv) (A) for which the producer is required to file a formula for approval with the

305 federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or

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

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

308 [~~(42)~~] (43) "Fraternal license" means a license issued in accordance with Chapter 5,
309 Retail License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
310 commission as a fraternal license.

311 [~~(43)~~] (44) "Full-service restaurant license" means a license issued in accordance with
312 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.

313 [~~(44)~~] (45) (a) "Furnish" means by any means to provide with, supply, or give an
314 individual an alcoholic product, by sale or otherwise.

315 (b) "Furnish" includes to:

316 (i) serve;

317 (ii) deliver; or

318 (iii) otherwise make available.

319 [~~(45)~~] (46) "Guest" means an individual who meets the requirements of Subsection
320 32B-6-407(9).

321 [~~(46)~~] (47) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.

322 [~~(47)~~] (48) "Health care practitioner" means:

323 (a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;

324 (b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;

325 (c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;

326 (d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice
327 Act;

328 (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,
329 Nurse Practice Act;

330 (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
331 Practice Act;

332 (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
333 Therapy Practice Act;

334 (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;

335 (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health

336 Professional Practice Act;

337 (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;

338 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
339 Practice Act;

340 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
341 Hygienist Practice Act; and

342 (m) a physician assistant licensed under Title 58, Chapter 70a, Physician Assistant Act.

343 ~~[(48)]~~ (49) (a) "Heavy beer" means a product that:

344 (i) contains more than;

345 (A) 4% alcohol by volume~~[-and], less a tolerance of 0.18%; or~~

346 (B) 3.2% alcohol by weight, less a tolerance of 0.15%; and

347 (ii) is obtained by fermentation, infusion, or decoction of malted grain.

348 (b) "Heavy beer" is considered liquor for the purposes of this title.

349 ~~[(49) "Hotel" is as defined by the commission by rule.]~~

350 (50) "Hotel" means a commercial lodging establishment that:

351 (a) offers at least 30 temporary sleeping accommodations for compensation;

352 (b) is capable of hosting conventions, conferences, and food and beverage functions
353 under a banquet contract; and

354 (c) (i) has adequate kitchen or culinary facilities on the premises to provide complete
355 meals; or

356 (ii) (A) has at least 1,000 square feet of function space consisting of meeting or dining
357 rooms that can be reserved for private use under a banquet contract that can accommodate a
358 least 75 individuals; or

359 (B) if the establishment is located in a small or unincorporated locality, has an
360 appropriate amount of function space consisting of meeting or dining rooms that can be
361 reserved for private use under a banquet contract, as determined by the commission.

362 ~~[(50)]~~ (51) "Hotel license" means a license issued in accordance with Chapter 5, Retail
363 License Act, and Chapter 8b, Hotel License Act.

364 ~~[(51)]~~ (52) "Identification card" means an identification card issued under Title 53,
365 Chapter 3, Part 8, Identification Card Act.

366 ~~[(52)]~~ (53) "Industry representative" means an individual who is compensated by

367 salary, commission, or other means for representing and selling an alcoholic product of a
368 manufacturer, supplier, or importer of liquor.

369 ~~[(53)]~~ (54) "Industry representative sample" means liquor that is placed in the
370 possession of the department for testing, analysis, and sampling by a local industry
371 representative on the premises of the department to educate the local industry representative of
372 the quality and characteristics of the product.

373 ~~[(54)]~~ (55) "Interdicted person" means a person to whom the sale, offer for sale, or
374 furnishing of an alcoholic product is prohibited by:

- 375 (a) law; or
- 376 (b) court order.

377 ~~[(55)]~~ (56) "Intoxicated" means that a person:

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

- 380 (i) an alcoholic product;
- 381 (ii) a controlled substance;
- 382 (iii) a substance having the property of releasing toxic vapors; or
- 383 (iv) a combination of Subsections ~~[(55)]~~ (56)(a)(i) through (iii); and
- 384 (b) exhibits plain and easily observed outward manifestations of behavior or physical
385 signs produced by the overconsumption of an alcoholic product.

386 ~~[(56)]~~ (57) "Investigator" means an individual who is:

- 387 (a) a department compliance officer; or
- 388 (b) a nondepartment enforcement officer.

389 ~~[(57)]~~ (58) "Invitee" means the same as that term is defined in Section [32B-8-102](#).

390 ~~[(58)]~~ (59) "License" means:

- 391 (a) a retail license;
- 392 (b) a license issued in accordance with Chapter 11, Manufacturing and Related
393 Licenses Act;
- 394 (c) a license issued in accordance with Chapter 12, Liquor Warehousing License Act;
- 395 ~~[or]~~
- 396 (d) a license issued in accordance with Chapter 13, Beer Wholesaling License Act~~[-]~~;

397 or

398 (e) a license issued in accordance with Chapter 17, Liquor Transport License Act.

399 [~~(59)~~] (60) "Licensee" means a person who holds a license.

400 [~~(60)~~] (61) "Limited-service restaurant license" means a license issued in accordance
401 with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.

402 [~~(61)~~] (62) "Limousine" means a motor vehicle licensed by the state or a local
403 authority, other than a bus or taxicab:

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

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

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

410 [~~(62)~~] (63) (a) (i) "Liquor" means a liquid that:

411 (A) is:

412 (I) alcohol;

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

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

415 (IV) other drink or drinkable liquid; and

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

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

418 (ii) "Liquor" includes:

419 (A) heavy beer;

420 (B) wine; and

421 (C) a flavored malt beverage.

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

423 [~~(63)~~] (64) "Liquor Control Fund" means the enterprise fund created by Section
424 [32B-2-301](#).

425 (65) "Liquor transport license" means a license issued in accordance with Chapter 17,
426 Liquor Transport License Act.

427 [~~(64)~~] (66) "Liquor warehousing license" means a license that is issued:

428 (a) in accordance with Chapter 12, Liquor Warehousing License Act; and

429 (b) to a person, other than a licensed manufacturer, who engages in the importation for
430 storage, sale, or distribution of liquor regardless of amount.

431 [~~(65)~~] (67) "Local authority" means:

432 (a) for premises that are located in an unincorporated area of a county, the governing
433 body of a county; or

434 (b) for premises that are located in an incorporated city, town, or metro township, the
435 governing body of the city, town, or metro township.

436 [~~(66)~~] (68) "Lounge or bar area" is as defined by rule made by the commission.

437 [~~(67)~~] (69) "Manufacture" means to distill, brew, rectify, mix, compound, process,
438 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to
439 others.

440 [~~(68)~~] (70) "Member" means an individual who, after paying regular dues, has full
441 privileges in an equity licensee or fraternal licensee.

442 [~~(69)~~] (71) (a) "Military installation" means a base, air field, camp, post, station, yard,
443 center, or homeport facility for a ship:

444 (i) (A) under the control of the United States Department of Defense; or

445 (B) of the National Guard;

446 (ii) that is located within the state; and

447 (iii) including a leased facility.

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

449 (i) civil works;

450 (ii) a rivers and harbors project; or

451 (iii) a flood control project.

452 (72) "Minibar" means an area of a hotel guest room where one or more alcoholic
453 products are kept and offered for self-service sale or consumption.

454 [~~(70)~~] (73) "Minor" means an individual under the age of 21 years.

455 [~~(71)~~] (74) "Nondepartment enforcement agency" means an agency that:

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

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

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

459 [~~(72)~~] (75) "Nondepartment enforcement officer" means an individual who is:

- 460 (a) a peace officer, examiner, or investigator; and
- 461 (b) employed by a nondepartment enforcement agency.
- 462 [~~(73)~~] (76) (a) "Off-premise beer retailer" means a beer retailer who is:
- 463 (i) licensed in accordance with Chapter 7, Off-Premise Beer Retailer Act; and
- 464 (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
- 465 premises.
- 466 (b) "Off-premise beer retailer" does not include an on-premise beer retailer.
- 467 [~~(74)~~] (77) "Off-premise beer retailer state license" means a state license issued in
- 468 accordance with Chapter 7, Part 4, Off-Premise Beer Retailer State License.
- 469 [~~(75)~~] (78) "On-premise banquet license" means a license issued in accordance with
- 470 Chapter 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.
- 471 [~~(76)~~] (79) "On-premise beer retailer" means a beer retailer who is:
- 472 (a) authorized to sell, offer for sale, or furnish beer under a license issued in
- 473 accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-Premise Beer
- 474 Retailer License; and
- 475 (b) engaged in the sale of beer to a patron for consumption on the beer retailer's
- 476 premises:
- 477 (i) regardless of whether the beer retailer sells beer for consumption off the licensed
- 478 premises; and
- 479 (ii) on and after March 1, 2012, operating:
- 480 (A) as a tavern; or
- 481 (B) in a manner that meets the requirements of Subsection [32B-6-703\(2\)\(e\)\(i\)](#).
- 482 [~~(77)~~] (80) "Opaque" means impenetrable to sight.
- 483 [~~(78)~~] (81) "Package agency" means a retail liquor location operated:
- 484 (a) under an agreement with the department; and
- 485 (b) by a person:
- 486 (i) other than the state; and
- 487 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package
- 488 Agency, to sell packaged liquor for consumption off the premises of the package agency.
- 489 [~~(79)~~] (82) "Package agent" means a person who holds a package agency.
- 490 [~~(80)~~] (83) "Patron" means an individual to whom food, beverages, or services are sold,

491 offered for sale, or furnished, or who consumes an alcoholic product including:

- 492 (a) a customer;
- 493 (b) a member;
- 494 (c) a guest;
- 495 (d) an attendee of a banquet or event;
- 496 (e) an individual who receives room service;
- 497 (f) a resident of a resort;
- 498 (g) a public customer under a resort spa sublicense, as defined in Section 32B-8-102;

499 or

- 500 (h) an invitee.

501 (84) (a) "Performing arts facility" means a multi-use performance space that:

- 502 (i) is primarily used to present various types of performing arts, including dance,
- 503 music, and theater;
- 504 (ii) contains over 2,500 seats;
- 505 (iii) is owned and operated by a governmental entity; and
- 506 (iv) is located in a city of the first class.

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

509 ~~[(81)]~~ (85) "Permittee" means a person issued a permit under:

- 510 (a) Chapter 9, Event Permit Act; or
- 511 (b) Chapter 10, Special Use Permit Act.

512 ~~[(82)]~~ (86) "Person subject to administrative action" means:

- 513 (a) a licensee;
- 514 (b) a permittee;
- 515 (c) a manufacturer;
- 516 (d) a supplier;
- 517 (e) an importer;
- 518 (f) one of the following holding a certificate of approval:
 - 519 (i) an out-of-state brewer;
 - 520 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
 - 521 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or

522 (g) staff of:

523 (i) a person listed in Subsections [~~82~~] (86)(a) through (f); or

524 (ii) a package agent.

525 [~~83~~] (87) "Premises" means a building, enclosure, or room used in connection with
526 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic
527 product, unless otherwise defined in this title or rules made by the commission.

528 [~~84~~] (88) "Prescription" means an order issued by a health care practitioner when:

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

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

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

534 [~~85~~] (89) (a) "Private event" means a specific social, business, or recreational event:

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

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

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

541 [~~86~~] (90) (a) "Proof of age" means:

542 (i) an identification card;

543 (ii) an identification that:

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

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

547 (C) includes date of birth; and

548 (D) has a picture affixed;

549 (iii) a valid driver license certificate that:

550 (A) includes date of birth;

551 (B) has a picture affixed; and

552 (C) is issued:

- 553 (I) under Title 53, Chapter 3, Uniform Driver License Act; or
- 554 (II) in accordance with the laws of the state in which it is issued;
- 555 (iv) a military identification card that:
- 556 (A) includes date of birth; and
- 557 (B) has a picture affixed; or
- 558 (v) a valid passport.
- 559 (b) "Proof of age" does not include a driving privilege card issued in accordance with

560 Section [53-3-207](#).

561 ~~[(87)]~~ [\(91\)](#) (a) "Public building" means a building or permanent structure that is:

- 562 (i) owned or leased by:
- 563 (A) the state; or
- 564 (B) a local government entity; and
- 565 (ii) used for:
- 566 (A) public education;
- 567 (B) transacting public business; or
- 568 (C) regularly conducting government activities.

569 (b) "Public building" does not include a building owned by the state or a local
570 government entity when the building is used by a person, in whole or in part, for a proprietary
571 function.

572 ~~[(88)]~~ [\(92\)](#) "Public conveyance" means a conveyance that the public or a portion of the
573 public has access to and a right to use for transportation, including an airline, railroad, bus,
574 boat, or other public conveyance.

575 ~~[(89)]~~ [\(93\)](#) "Reception center" means a business that:

- 576 (a) operates facilities that are at least 5,000 square feet; and
- 577 (b) has as its primary purpose the leasing of the facilities described in Subsection ~~[(89)]~~
578 [\(93\)](#)(a) to a third party for the third party's event.

579 ~~[(90)]~~ [\(94\)](#) "Reception center license" means a license issued in accordance with
580 Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.

581 ~~[(91)]~~ [\(95\)](#) (a) "Record" means information that is:

- 582 (i) inscribed on a tangible medium; or
- 583 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.

584 (b) "Record" includes:

585 (i) a book;

586 (ii) a book of account;

587 (iii) a paper;

588 (iv) a contract;

589 (v) an agreement;

590 (vi) a document; or

591 (vii) a recording in any medium.

592 [~~92~~] (96) "Residence" means a person's principal place of abode within Utah.

593 [~~93~~] (97) "Resident," in relation to a resort, means the same as that term is defined in

594 Section [32B-8-102](#).

595 [~~94~~] (98) "Resort" means the same as that term is defined in Section [32B-8-102](#).

596 [~~95~~] (99) "Resort facility" is as defined by the commission by rule.

597 [~~96~~] (100) "Resort license" means a license issued in accordance with Chapter 5,

598 Retail License Act, and Chapter 8, Resort License Act.

599 [~~97~~] (101) "Responsible alcohol service plan" means a written set of policies and

600 procedures that outlines measures to prevent employees from:

601 (a) over-serving alcoholic beverages to customers;

602 (b) serving alcoholic beverages to customers who are actually, apparently, or obviously

603 intoxicated; and

604 (c) serving alcoholic beverages to minors.

605 [~~98~~] (102) "Restaurant" means a business location:

606 (a) at which a variety of foods are prepared;

607 (b) at which complete meals are served; and

608 (c) that is engaged primarily in serving meals.

609 [~~99~~] (103) "Retail license" means one of the following licenses issued under this title:

610 (a) a full-service restaurant license;

611 (b) a master full-service restaurant license;

612 (c) a limited-service restaurant license;

613 (d) a master limited-service restaurant license;

614 (e) a bar establishment license;

- 615 (f) an airport lounge license;
- 616 (g) an on-premise banquet license;
- 617 (h) an on-premise beer license;
- 618 (i) a reception center license;
- 619 (j) a beer-only restaurant license;
- 620 (k) a resort license; or
- 621 (l) a hotel license.

622 ~~[(100)]~~ (104) "Room service" means furnishing an alcoholic product to a person in a
623 guest room of a:

- 624 (a) hotel; or
- 625 (b) resort facility.

626 ~~[(101)]~~ (105) (a) "School" means a building used primarily for the general education of
627 minors.

628 (b) "School" does not include an educational facility.

629 ~~[(102)]~~ (106) "Sell" or "offer for sale" means a transaction, exchange, or barter
630 whereby, for consideration, an alcoholic product is either directly or indirectly transferred,
631 solicited, ordered, delivered for value, or by a means or under a pretext is promised or
632 obtained, whether done by a person as a principal, proprietor, or as staff, unless otherwise
633 defined in this title or the rules made by the commission.

634 ~~[(103)]~~ (107) "Serve" means to place an alcoholic product before an individual.

635 ~~[(104)]~~ (108) "Sexually oriented entertainer" means a person who while in a state of
636 seminudity appears at or performs:

- 637 (a) for the entertainment of one or more patrons;
- 638 (b) on the premises of:
 - 639 (i) a bar licensee; or
 - 640 (ii) a tavern;
- 641 (c) on behalf of or at the request of the licensee described in Subsection ~~[(104)]~~
642 (108)(b);
- 643 (d) on a contractual or voluntary basis; and
- 644 (e) whether or not the person is designated as:
 - 645 (i) an employee;

- 646 (ii) an independent contractor;
- 647 (iii) an agent of the licensee; or
- 648 (iv) a different type of classification.

649 ~~[(105)]~~ (109) "Single event permit" means a permit issued in accordance with Chapter
650 9, Part 3, Single Event Permit.

651 ~~[(106)]~~ (110) "Small brewer" means a brewer who manufactures less than 60,000
652 barrels of beer, heavy beer, and flavored malt beverages per year.

653 (111) "Small or unincorporated locality" means:

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

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

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

658 ~~[(107)]~~ (112) "Special use permit" means a permit issued in accordance with Chapter
659 10, Special Use Permit Act.

660 ~~[(108)]~~ (113) (a) "Spirituous liquor" means liquor that is distilled.

661 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
662 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

663 ~~[(109)]~~ (114) "Sports center" is as defined by the commission by rule.

664 ~~[(110)]~~ (115) (a) "Staff" means an individual who engages in activity governed by this
665 title:

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

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

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

672 (b) "Staff" includes:

673 (i) an officer;

674 (ii) a director;

675 (iii) an employee;

676 (iv) personnel management;

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

678 (vi) an operator; or

679 (vii) a representative.

680 [~~(111)~~] (116) "State of nudity" means:

681 (a) the appearance of:

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

683 (ii) a human genital;

684 (iii) a human pubic area; or

685 (iv) a human anus; or

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

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

688 (ii) a human genital;

689 (iii) a human pubic area; or

690 (iv) a human anus.

691 [~~(112)~~] (117) "State of seminudity" means a state of dress in which opaque clothing
692 covers no more than:

693 (a) the nipple and areola of the female human breast in a shape and color other than the
694 natural shape and color of the nipple and areola; and

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

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

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

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

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

700 [~~(113)~~] (118) (a) "State store" means a facility for the sale of packaged liquor:

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

702 (ii) operated by a state employee.

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

704 (i) a package agency;

705 (ii) a licensee; or

706 (iii) a permittee.

707 [~~(114)~~] (119) (a) "Storage area" means an area on licensed premises where the licensee

708 stores an alcoholic product.

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

710 [~~(115)~~] (120) "Sublicense" means the same as that term is defined in Section
711 32B-8-102 or 32B-8b-102.

712 [~~(116)~~] (121) "Supplier" means a person who sells an alcoholic product to the
713 department.

714 [~~(117)~~] (122) "Tavern" means an on-premise beer retailer who is:

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

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

719 [~~(118)~~] (123) "Temporary beer event permit" means a permit issued in accordance with
720 Chapter 9, Part 4, Temporary Beer Event Permit.

721 [~~(119)~~] (124) "Temporary domicile" means the principal place of abode within Utah of
722 a person who does not have a present intention to continue residency within Utah permanently
723 or indefinitely.

724 [~~(120)~~] (125) "Translucent" means a substance that allows light to pass through, but
725 does not allow an object or person to be seen through the substance.

726 [~~(121)~~] (126) "Unsaleable liquor merchandise" means a container that:

727 (a) is unsaleable because the container is:

728 (i) unlabeled;

729 (ii) leaky;

730 (iii) damaged;

731 (iv) difficult to open; or

732 (v) partly filled;

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

734 (ii) has contents that are:

735 (A) cloudy;

736 (B) spoiled; or

737 (C) chemically determined to be impure; or

738 (iii) contains:

739 (A) sediment; or

740 (B) a foreign substance; or

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

742 [~~(122)~~] (127) (a) "Wine" means an alcoholic product obtained by the fermentation of
743 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or
744 not another ingredient is added.

745 (b) "Wine" includes:

746 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.
747 4.10; and

748 (ii) hard cider.

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

751 [~~(123)~~] (128) "Winery manufacturing license" means a license issued in accordance
752 with Chapter 11, Part 3, Winery Manufacturing License.

753 Section 2. Section **32B-1-305** is amended to read:

754 **32B-1-305. Requirement for a background check.**

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

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

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

760 (ii) who will see the information; and

761 (iii) how the information will be used;

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

763 (c) consent to a background check by:

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

765 (ii) the Federal Bureau of Investigation.

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

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

768 (i) the department makes the decision to offer the individual employment with the
769 department; and

- 770 (ii) once employed, the individual will receive benefits;
- 771 (b) an individual applying to the commission to operate a package agency;
- 772 (c) an individual applying to the commission for a license, unless the license is an
773 off-premise beer retailer state license;
- 774 (d) an individual who with regard to an entity that is applying to the commission to
775 operate a package agency or for a license is:
 - 776 (i) a partner;
 - 777 (ii) a managing agent;
 - 778 (iii) a manager;
 - 779 (iv) an officer;
 - 780 (v) a director;
 - 781 (vi) a stockholder who holds at least 20% of the total issued and outstanding stock of a
782 corporation;
 - 783 (vii) a member who owns at least 20% of a limited liability company; or
 - 784 (viii) an individual employed to act in a supervisory or managerial capacity; or
 - 785 (e) an individual who becomes involved with an entity that operates a package agency
786 or holds a license, if the individual is in a capacity listed in Subsection (2)(d) on or after the day
787 on which the entity:
 - 788 (i) is approved to operate a package agency; or
 - 789 (ii) is licensed by the commission.
- 790 (3) (a) Except as provided in Subsection (3)(b), the commission may not require an
791 individual to comply with Subsection (1) based on the individual's position with or ownership
792 interest in an entity that has an ownership interest in the entity that is applying for the package
793 agency or license.
- 794 (b) The commission may require an individual described in Subsection (3)(a) to
795 comply with Subsection (1) if the individual exercises direct decision making control over the
796 day-to-day operations of the licensee.
- 797 [~~3~~] (4) The department shall require compliance with Subsection (2)(e) as a condition
798 of an entity's:
 - 799 (a) continued operation of a package agency; or
 - 800 (b) renewal of a license.

801 ~~[(4)]~~ (5) The department may require as a condition of continued employment that a
802 department employee:

- 803 (a) submit to a background check in a form acceptable to the department; and
- 804 (b) consent to a fingerprint criminal background check by:
 - 805 (i) the Utah Bureau of Criminal Identification; and
 - 806 (ii) the Federal Bureau of Investigation.

807 Section 3. Section **32B-1-606** is amended to read:

808 **32B-1-606. Special procedure for certain malted beverages.**

809 (1) A manufacturer of a malted beverage may not distribute or sell the malted beverage
810 in the state until the day on which the manufacturer receives approval of the labeling and
811 packaging from the department in accordance with:

- 812 (a) Sections [32B-1-604](#) and [32B-1-605](#); and
- 813 (b) this section, if the malted beverage is labeled or packaged in a manner that is:
 - 814 (i) similar to a label or packaging used for a nonalcoholic beverage; or
 - 815 (ii) likely to confuse or mislead a patron to believe the malted beverage is a
816 nonalcoholic beverage.

817 (2) The department may not approve the labeling and packaging of a malted beverage
818 described in Subsection (1) unless in addition to the requirements of Section [32B-1-604](#) the
819 labeling and packaging complies with the following:

820 (a) the front of the label on the malted beverage bears a prominently displayed label or
821 a firmly affixed sticker that provides the following information in a font that measures at least
822 three millimeters high:

- 823 (i) the statement:
 - 824 (A) "alcoholic beverage"; or
 - 825 (B) "contains alcohol"; and
- 826 (ii) subject to Subsection (3), the alcohol content of the malted beverage, if the alcohol
827 content is not otherwise provided:

- 828 (A) in a serving facts statement on the container; and
- 829 (B) in a format allowed by the Federal Alcohol and Tobacco Tax Trade Bureau;
- 830 (b) the packaging of the malted beverage prominently includes, either imprinted on the
831 packaging or imprinted on a sticker firmly affixed to the packaging in a font that measures at

832 least three millimeters high, the statement:

833 (i) "alcoholic beverage"; or

834 (ii) "contains alcohol";

835 (c) a statement required by Subsection (2)(a) or (b) appears in a format required by rule
836 made by the commission; and

837 (d) a statement of alcohol content required by Subsection (2)(a)(ii):

838 (i) states the alcohol content as a percentage of alcohol by volume or by weight; and

839 (ii) is in a format required by rule made by the commission.

840 (3) A label satisfies the requirement described in Subsection (2)(a)(ii) if the alcohol
841 content stated on the label is:

842 (a) 0.18% or less above or below the actual alcohol content of the malted beverage, if
843 stated by volume; or

844 (b) 0.15% or less above or below the actual alcohol content of the malted beverage, if
845 stated by weight.

846 [~~3~~] (4) The department may reject a label or packaging that appears designed to
847 obscure the information required by Subsection (2).

848 [~~4~~] (5) To determine whether a malted beverage is described in Subsection (1) and
849 subject to this section, the department may consider in addition to other factors one or more of
850 the following factors:

851 (a) whether the coloring, carbonation, and packaging of the malted beverage:

852 (i) is similar to those of a nonalcoholic beverage or product; or

853 (ii) can be confused with a nonalcoholic beverage;

854 (b) whether the malted beverage possesses a character and flavor distinctive from a
855 traditional malted beverage;

856 (c) whether the malted beverage:

857 (i) is prepackaged;

858 (ii) contains high levels of caffeine and other additives; and

859 (iii) is marketed as a beverage that is specifically designed to provide energy;

860 (d) whether the malted beverage contains added sweetener or sugar substitutes; or

861 (e) whether the malted beverage contains an added fruit flavor or other flavor that
862 masks the taste of a traditional malted beverage.

863 Section 4. Section **32B-1-701**, which is renumbered from Section 32B-5-402 is
864 renumbered and amended to read:

865 **Part 7. Alcohol Training and Education Act**

866 ~~[32B-5-402].~~ **32B-1-701. Definitions.**

867 As used in this part:

868 (1) "Off-premise retail manager" means an individual who~~[(a)]~~ manages operations at
869 a premises that is licensed under Chapter 7, Off-Premise Beer Retailer Act~~[, or].~~

870 ~~[(b) supervises the sale of beer at a premises that is licensed under Chapter 7,~~
871 ~~Off-Premise Beer Retailer Act.]~~

872 (2) (a) "Off-premise retail staff" means an individual who sells beer at a premises that
873 is licensed under Chapter 7, Off-Premise Beer Retailer Act.

874 (b) "Off-premise retail staff" does not include an off-premise retail manager.

875 (3) "Retail manager" means an individual who:

876 (a) manages operations at a premises that is licensed under this chapter; or

877 (b) supervises the furnishing of an alcoholic product at a premises that is licensed
878 under this chapter.

879 (4) (a) "Retail staff" means an individual who serves an alcoholic product at a premises
880 licensed under this chapter.

881 (b) "Retail staff" does not include a retail manager.

882 Section 5. Section **32B-1-702**, which is renumbered from Section 32B-5-403 is
883 renumbered and amended to read:

884 ~~[32B-5-403].~~ **32B-1-702. Alcohol training and education -- Revocation,**
885 **suspension, or nonrenewal of retail license.**

886 (1) The commission may suspend, revoke, or not renew a license of a retail licensee if
887 any of the following individuals fail to complete an alcohol training and education seminar:

888 (a) a retail manager; or

889 (b) retail staff.

890 (2) A city, town, metro township, or county in which a retail licensee conducts
891 business may suspend, revoke, or not renew the business license of the retail licensee if a retail
892 manager or retail staff fails to complete an alcohol training and education seminar.

893 (3) A local authority that issues an off-premise beer retailer license to a business that is

894 engaged in the retail sale of beer for consumption off the beer retailer's premises may
895 immediately suspend the off-premise beer retailer license if any of the following individuals
896 fails to complete an alcohol training and education seminar:

- 897 (a) an off-premise retail manager; or
- 898 (b) off-premise retail staff.

899 Section 6. Section **32B-1-703**, which is renumbered from Section 32B-5-404 is
900 renumbered and amended to read:

901 ~~[32B-5-404]~~. **32B-1-703. Alcohol training and education for off-premise**
902 **consumption.**

903 (1) (a) A local authority that issues an off-premise beer retailer license to a business to
904 sell beer at retail for off-premise consumption shall require the following to have a valid record
905 that the individual completed an alcohol training and education seminar in the time periods
906 required by Subsection (1)(b):

- 907 (i) an off-premise retail manager; or
- 908 (ii) off-premise retail staff.

909 (b) If an individual on the date the individual becomes staff to an off-premise beer
910 retailer does not have a valid record that the individual has completed an alcohol training and
911 education seminar for purposes of this part, the individual shall complete an alcohol training
912 and education seminar within 30 days of the day on which the individual becomes staff of an
913 off-premise beer retailer.

914 (c) Section ~~62A-15-401~~ governs the validity of a record that an individual has
915 completed an alcohol training and education seminar required by this part.

916 (2) In accordance with Section ~~[32B-5-403]~~ 32B-1-702, a local authority may
917 immediately suspend the license of an off-premise beer retailer that allows an individual to
918 work as an off-premise retail manager without having a valid record that the individual
919 completed an alcohol training and education seminar in accordance with Subsection (1).

920 Section 7. Section **32B-1-704**, which is renumbered from Section 32B-5-405 is
921 renumbered and amended to read:

922 ~~[32B-5-405]~~. **32B-1-704. Department training programs.**

923 (1) No later than January 1, 2018, the department shall develop the following training
924 programs that are provided either in-person or online:

- 925 (a) a training program for retail managers that addresses:
- 926 (i) the statutes and rules that govern alcohol sales and consumption in the state;
- 927 (ii) the requirements for operating as a retail licensee;
- 928 (iii) using compliance assistance from the department; and
- 929 (iv) any other topic the department determines beneficial to a retail manager; and
- 930 (b) a training program for an individual employed by a retail licensee or an off-premise
- 931 beer retailer who violates a provision of this title related to the sale, service, or furnishing of an
- 932 alcoholic beverage to an intoxicated individual or a minor, that addresses:
- 933 (i) the statutes and rules that govern the most common types of violations under this
- 934 title;
- 935 (ii) how to avoid common violations; and
- 936 (iii) any other topic the department determines beneficial to the training program.
- 937 (2) No later than January 1, 2019, the department shall develop a training program for
- 938 off-premise retail managers that is provided either in-person or online and addresses:
- 939 (a) the statutes and rules that govern sales at an off-premise beer retailer;
- 940 (b) the requirements for operating an off-premise beer retailer;
- 941 (c) using compliance assistance from the department; and
- 942 (d) any other topic the department determines beneficial to an off-premise retail
- 943 manager.
- 944 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
- 945 the provisions of this section, the department shall make rules to develop and implement the
- 946 training programs described in this section, including rules that establish:
- 947 (a) the requirements for each training program described in this section;
- 948 (b) measures that accurately identify each individual who takes and completes a
- 949 training program;
- 950 (c) measures that ensure an individual taking a training program is focused and actively
- 951 engaged in the training material throughout the training program;
- 952 (d) a record that certifies that an individual has completed a training program; and
- 953 (e) a fee for participation in a training program to cover the department's cost of
- 954 providing the training program.
- 955 (4) (a) Except as provided in Subsection (5), each retail manager shall complete the

956 training described in Subsection (1)(a) no later than the [~~earlier~~] later of:

957 (i) 30 days after the day on which the retail manager is hired; or

958 (ii) [~~before~~] 30 days after the day on which the retail licensee obtains a retail license
959 under this chapter.

960 (b) Except as provided in Subsection (5), each off-premise retail manager shall
961 complete the training described in Subsection (2) no later than the [~~earlier~~] later of:

962 (i) 30 days after the day on which the off-premise retail manager is hired; or

963 (ii) [~~before~~] 30 days after the day on which the off-premise beer retailer obtains an
964 off-premise beer retailer state license.

965 (c) (i) If the commission finds that a retail licensee violated a provision of this title
966 related to the sale, service, or furnishing of an alcoholic beverage to an intoxicated individual
967 or a minor for a second time within 36 consecutive months after the day on which the first
968 violation was adjudicated, the violator, all retail staff, and each retail manager shall complete
969 the training program described in Subsection (1)(b).

970 (ii) If the commission finds that an off-premise beer retailer violated a provision of this
971 title related to the sale, service, or furnishing of an alcoholic beverage to an intoxicated
972 individual or a minor for a second time within 36 consecutive months after the day on which
973 the first violation was adjudicated, the violator and each off-premise retail manager shall
974 complete the training program described in Subsection (1)(b).

975 (5) (a) For a person who holds a retail license on January 1, 2018, each retail manager
976 shall complete the training program described in Subsection (1)(a) for the first time as a
977 condition of renewing the licensee's retail license in 2018.

978 (b) For a person who holds an off-premise beer retailer state license on January 1,
979 2019, each off-premise retail manager shall complete the training program described in
980 Subsection (1)(b) for the first time as a condition of renewing the licensee's off-premise beer
981 retailer state license in 2019.

982 (6) If an individual fails to complete a required training program under this section:

983 (a) the commission may suspend, revoke, or not renew the retail license or off-premise
984 beer retailer state license;

985 (b) a city, town, metro township, or county in which the retail licensee or off-premise
986 beer retailer is located may suspend, revoke, or not renew the retail licensee's or off-premise

987 beer retailer's business license; or

988 (c) a local authority may suspend, revoke, or not renew the off-premise beer retailer's
989 license.

990 Section 8. Section **32B-1-705**, which is renumbered from Section 32B-5-406 is
991 renumbered and amended to read:

992 ~~[32B-5-406]~~. **32B-1-705. Tracking certain enforcement actions.**

993 (1) For each violation of a provision of this title involving the sale of an alcoholic
994 product to a minor that staff of a retail licensee commits, the commission shall:

995 (a) maintain a record of the violation until the record is expunged in accordance with
996 Subsection (3);

997 (b) include in the record described in Subsection (1)(a):

998 (i) the name of the individual who committed the violation;

999 (ii) the name of the retail licensee; and

1000 (iii) the date of the adjudication of the violation; and

1001 (c) provide the information described in Subsection (1)(b) to the Department of Public
1002 Safety within 30 days after the day on which the violation is adjudicated.

1003 (2) (a) The Department of Public Safety shall develop and operate a system to collect,
1004 analyze, maintain, track, and disseminate the information that the Department of Public Safety
1005 receives in accordance with Subsection (1).

1006 (b) The Department of Public Safety shall make the system described in Subsection
1007 (2)(a) available to:

1008 (i) assist the commission in assessing penalties under this title; and

1009 (ii) inform a retail licensee of an individual who has a violation history in the system.

1010 (3) The commission and the Department of Public Safety shall expunge each record in
1011 the system described in Subsection (2) that relates to an individual if the individual does not
1012 violate a provision of this title related to the sale of an alcoholic product to a minor for a period
1013 of 36 consecutive months from the day on which the individual's last violation related to the
1014 sale of an alcoholic product to a minor was adjudicated.

1015 Section 9. Section **32B-2-202** is amended to read:

1016 **32B-2-202. Powers and duties of the commission.**

1017 (1) The commission shall:

- 1018 (a) consistent with the policy established by the Legislature by statute, act as a general
1019 policymaking body on the subject of alcoholic product control;
- 1020 (b) adopt and issue policies, rules, and procedures;
- 1021 (c) set policy by written rules that establish criteria and procedures for:
- 1022 (i) issuing, denying, not renewing, suspending, or revoking a package agency, license,
1023 permit, or certificate of approval; and
- 1024 (ii) determining the location of a state store, package agency, or retail licensee;
- 1025 (d) decide within the limits, and under the conditions imposed by this title, the number
1026 and location of state stores, package agencies, and retail licensees in the state;
- 1027 (e) issue, deny, suspend, revoke, or not renew the following package agencies, licenses,
1028 permits, or certificates of approval for the purchase, storage, sale, offer for sale, furnishing,
1029 consumption, manufacture, and distribution of an alcoholic product:
- 1030 (i) a package agency;
- 1031 (ii) a full-service restaurant license;
- 1032 (iii) a master full-service restaurant license;
- 1033 (iv) a limited-service restaurant license;
- 1034 (v) a master limited-service restaurant license;
- 1035 (vi) a bar establishment license;
- 1036 (vii) an airport lounge license;
- 1037 (viii) an on-premise banquet license;
- 1038 (ix) a resort license, under which at least four or more sublicenses may be included;
- 1039 (x) an on-premise beer retailer license;
- 1040 (xi) a reception center license;
- 1041 (xii) a beer-only restaurant license;
- 1042 (xiii) a hotel license, under which at least three or more sublicenses may be included;
- 1043 (xiv) subject to Subsection (4), a single event permit;
- 1044 (xv) subject to Subsection (4), a temporary beer event permit;
- 1045 (xvi) a special use permit;
- 1046 (xvii) a manufacturing license;
- 1047 (xviii) a liquor warehousing license;
- 1048 (xix) a beer wholesaling license; [~~and~~]

- 1049 (xx) a liquor transport license;
1050 (xxi) an off-premise beer retailer state license;
1051 (xxii) a master off-premise beer retailer state license; and
1052 ~~[(xx)]~~ (xxiii) one of the following that holds a certificate of approval:
1053 (A) an out-of-state brewer;
1054 (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and
1055 (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages;
1056 (f) issue, deny, suspend, or revoke the following conditional licenses:
1057 (i) a conditional retail license as defined in Section [32B-5-205](#); and
1058 (ii) a conditional off-premise beer retailer state license as defined in Section
1059 [32B-7-406](#);
1060 (g) prescribe the duties of the department in assisting the commission in issuing a
1061 package agency, license, permit, or certificate of approval under this title;
1062 (h) to the extent a fee is not specified in this title, establish a fee allowed under this title
1063 in accordance with Section [63J-1-504](#);
1064 (i) fix prices at which liquor is sold that are the same at all state stores, package
1065 agencies, and retail licensees;
1066 (j) issue and distribute price lists showing the price to be paid by a purchaser for each
1067 class, variety, or brand of liquor kept for sale by the department;
1068 (k) (i) require the director to follow sound management principles; and
1069 (ii) require periodic reporting from the director to ensure that:
1070 (A) sound management principles are being followed; and
1071 (B) policies established by the commission are being observed;
1072 (l) (i) receive, consider, and act in a timely manner upon the reports, recommendations,
1073 and matters submitted by the director to the commission; and
1074 (ii) do the things necessary to support the department in properly performing the
1075 department's duties;
1076 (m) obtain temporarily and for special purposes the services of an expert or person
1077 engaged in the practice of a profession, or a person who possesses a needed skill if:
1078 (i) considered expedient; and
1079 (ii) approved by the governor;

1080 (n) prescribe by rule the conduct, management, and equipment of premises upon which
1081 an alcoholic product may be stored, sold, offered for sale, furnished, or consumed;

1082 (o) make rules governing the credit terms of beer sales within the state to retail
1083 licensees; and

1084 (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take
1085 disciplinary action against a person subject to administrative action.

1086 (2) Consistent with the policy established by the Legislature by statute, the power of
1087 the commission to do the following is plenary, except as otherwise provided by this title, and
1088 not subject to review:

1089 (a) establish a state store;

1090 (b) issue authority to act as a package agent or operate a package agency; and

1091 (c) issue or deny a license, permit, or certificate of approval.

1092 (3) If the commission is authorized or required to make a rule under this title, the
1093 commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative
1094 Rulemaking Act.

1095 (4) Notwithstanding Subsections (1)(e)(xiv) and (xv), the director or deputy director
1096 may issue an event permit in accordance with Chapter 9, Event Permit Act.

1097 Section 10. Section **32B-2-204** is amended to read:

1098 **32B-2-204. Powers and duties of the department -- Immunity.**

1099 (1) The department shall control liquor merchandise inventory including:

1100 (a) listing and delisting a product;

1101 (b) the procedures for testing a new product;

1102 (c) purchasing policy;

1103 (d) turnover requirements for a regularly coded product to be continued; and

1104 (e) the disposition of discontinued, distressed, or unsaleable merchandise.

1105 (2) (a) The department shall report to the governor on the administration of this title:

1106 (i) as the governor may require; and

1107 (ii) annually by no later than November 30, for the fiscal year ending June 30 of the
1108 year in which the report is made.

1109 (b) A report under this Subsection (2) shall contain:

1110 (i) a statement of the nature and amount of the business transacted by the department

1111 during the year;

1112 (ii) a statement of the department's assets and liabilities including a profit and loss
1113 account, and other accounts and matters necessary to show the results of operations of the
1114 department for the year;

1115 (iii) general information on the application of this title in the state; and

1116 (iv) any other information requested by the governor.

1117 (c) The department shall submit a copy of a report described in this Subsection (2) to
1118 the Legislature.

1119 (3) The department shall maintain insurance against loss on each motor vehicle
1120 operated by it on any public highway. A motor vehicle shall be covered for:

1121 (a) liability imposed by law upon the department for damages from bodily injuries
1122 suffered by one or more persons by reason of the ownership, maintenance, or use of the motor
1123 vehicle; and

1124 (b) liability or loss from damage to or destruction of property of any description,
1125 including liability of the department for the resultant loss of use of the property, which results
1126 from accident due to the ownership, maintenance, or use of the motor vehicle.

1127 (4) (a) The department may sue, be sued, and defend in a proceeding, in a court of law
1128 or otherwise, in the name of the department.

1129 (b) An action may not be taken:

1130 (i) against the commission; or

1131 (ii) in the name of a commissioner.

1132 (5) The department is liable to respond in damages in a case if a private corporation
1133 under the same circumstances would be liable.

1134 (6) (a) Title 63G, Chapter 7, Governmental Immunity Act of Utah, applies in an action
1135 commenced against the department for damages sustained as a result of department ownership,
1136 maintenance, or use of a motor vehicle under Subsections (4) and (5).

1137 (b) In an action described in Subsection (6)(a), the commission and each commissioner
1138 are immune from suit.

1139 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1140 department may make rules related to measuring the alcohol content of beer.

1141 Section 11. Section **32B-2-304** is amended to read:

1142 **32B-2-304. Liquor price -- School lunch program -- Remittance of markup.**
1143 (1) For purposes of this section:
1144 (a) (i) "Landed case cost" means:
1145 (A) the cost of the product; and
1146 (B) inbound shipping costs incurred by the department.
1147 (ii) "Landed case cost" does not include the outbound shipping cost from a warehouse
1148 of the department to a state store.
1149 (b) "Proof gallon" means the same as that term is defined in 26 U.S.C. Sec. 5002.
1150 (c) Notwithstanding Section [32B-1-102](#), "small brewer" means a brewer who
1151 manufactures in a calendar year less than 40,000 barrels of beer, heavy beer, and flavored malt
1152 beverage.
1153 (2) Except as provided in Subsection (3):
1154 (a) spirituous liquor sold by the department within the state shall be marked up in an
1155 amount not less than 88% above the landed case cost to the department;
1156 (b) wine sold by the department within the state shall be marked up in an amount not
1157 less than 88% above the landed case cost to the department;
1158 (c) heavy beer sold by the department within the state shall be marked up in an amount
1159 not less than 66.5% above the landed case cost to the department; and
1160 (d) a flavored malt beverage sold by the department within the state shall be marked up
1161 in an amount not less than 88% above the landed case cost to the department.
1162 (3) (a) Liquor sold by the department to a military installation in Utah shall be marked
1163 up in an amount not less than 17% above the landed case cost to the department.
1164 (b) Except for spirituous liquor sold by the department to a military installation in
1165 Utah, spirituous liquor that is sold by the department within the state shall be marked up 49%
1166 above the landed case cost to the department if:
1167 (i) the spirituous liquor is manufactured by a manufacturer producing less than 30,000
1168 proof gallons of spirituous liquor in a calendar year; and
1169 (ii) the manufacturer applies to the department for a reduced markup.
1170 (c) Except for wine sold by the department to a military installation in Utah, wine that
1171 is sold by the department within the state shall be marked up 49% above the landed case cost to
1172 the department if:

1173 (i) (A) except as provided in Subsection (3)(c)(i)(B), the wine is manufactured by a
1174 manufacturer producing less than 20,000 gallons of wine in a calendar year; or

1175 (B) for hard cider, the hard cider is manufactured by a manufacturer producing less
1176 than 620,000 gallons of hard cider in a calendar year; and

1177 (ii) the manufacturer applies to the department for a reduced markup.

1178 (d) Except for heavy beer sold by the department to a military installation in Utah,
1179 heavy beer that is sold by the department within the state shall be marked up 32% above the
1180 landed case cost to the department if:

1181 (i) a small brewer manufactures the heavy beer; and

1182 (ii) the small brewer applies to the department for a reduced markup.

1183 (e) The department shall verify an amount described in Subsection (3)(b), (c), or (d)
1184 pursuant to a federal or other verifiable production report.

1185 (f) For purposes of determining whether an alcoholic product qualifies for a markup
1186 under this Subsection (3), the department shall evaluate whether the manufacturer satisfies the
1187 applicable production requirement without considering the manufacturer's production of any
1188 other type of alcoholic product.

1189 (4) The department shall deposit 10% of the total gross revenue from sales of liquor
1190 with the state treasurer to be credited to the Uniform School Fund and used to support the
1191 school lunch program administered by the State Board of Education under Section 53E-3-510.

1192 (5) This section does not prohibit the department from selling discontinued items at a
1193 discount.

1194 Section 12. Section 32B-2-605 is amended to read:

1195 **32B-2-605. Operational requirements for package agency.**

1196 (1) (a) A person may not operate a package agency until a package agency agreement is
1197 entered into by the package agent and the department.

1198 (b) A package agency agreement shall state the conditions of operation by which the
1199 package agent and the department are bound.

1200 (c) (i) If a package agent or staff of the package agent violates this title, rules under this
1201 title, or the package agency agreement, the department may take any action against the package
1202 agent that is allowed by the package agency agreement.

1203 (ii) An action against a package agent is governed solely by its package agency

1204 agreement and may include suspension or revocation of the package agency.

1205 (iii) A package agency agreement shall provide procedures to be followed if a package
1206 agent fails to pay money owed to the department including a procedure for replacing the
1207 package agent or operator of the package agency.

1208 (iv) A package agency agreement shall provide that the package agency is subject to
1209 covert investigations for selling an alcoholic product to a minor.

1210 (v) Notwithstanding that this part refers to "package agency" or "package agent," staff
1211 of the package agency or package agent is subject to the same requirement or prohibition.

1212 (2) (a) A package agency shall be operated by an individual who is either:

1213 (i) the package agent; or

1214 (ii) an individual designated by the package agent.

1215 (b) An individual who is a designee under this Subsection (2) shall be:

1216 (i) an employee of the package agent; and

1217 (ii) responsible for the operation of the package agency.

1218 (c) The conduct of the designee is attributable to the package agent.

1219 (d) A package agent shall submit the name of the person operating the package agency
1220 to the department for the department's approval.

1221 (e) A package agent shall state the name and title of a designee on the application for a
1222 package agency.

1223 (f) A package agent shall:

1224 (i) inform the department of a proposed change in the individual designated to operate
1225 a package agency; and

1226 (ii) receive prior approval from the department before implementing the change
1227 described in this Subsection (2)(f).

1228 (g) Failure to comply with the requirements of this Subsection (2) may result in the
1229 immediate termination of a package agency agreement.

1230 (3) (a) A package agent shall display in a prominent place in the package agency the
1231 record issued by the commission that designates the package agency.

1232 (b) A package agent that displays or stores liquor at a location visible to the public
1233 shall display in a prominent place in the package agency a sign in large letters that consists of
1234 text in the following order:

- 1235 (i) a header that reads: "WARNING";
- 1236 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
1237 can cause birth defects and permanent brain damage for the child.";
- 1238 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
1239 [insert most current toll-free number] with questions or for more information.";
- 1240 (iv) a header that reads: "WARNING"; and
- 1241 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
1242 serious crime that is prosecuted aggressively in Utah."
- 1243 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
1244 font style than the text described in Subsections (3)(b)(iv) and (v).
- 1245 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
1246 same font size.
- 1247 (d) The Department of Health shall work with the commission and department to
1248 facilitate consistency in the format of a sign required under this section.
- 1249 (4) A package agency may not display liquor or a price list in a window or showcase
1250 that is visible to passersby.
- 1251 (5) (a) A package agency may not purchase liquor from a person except from the
1252 department.
- 1253 (b) At the discretion of the department, liquor may be provided by the department to a
1254 package agency for sale on consignment.
- 1255 (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place
1256 other than as designated in the package agent's application, unless the package agent first
1257 applies for and receives approval from the department for a change of location within the
1258 package agency premises.
- 1259 (7) A package agency may not sell, offer for sale, or furnish liquor except at a price
1260 fixed by the commission.
- 1261 (8) A package agency may not sell, offer for sale, or furnish liquor to:
- 1262 (a) a minor;
- 1263 (b) a person actually, apparently, or obviously intoxicated;
- 1264 (c) a known interdicted person; or
- 1265 (d) a known habitual drunkard.

- 1266 (9) (a) A package agency may not employ a minor to handle liquor.
- 1267 (b) (i) Staff of a package agency may not:
- 1268 (A) consume an alcoholic product on the premises of a package agency; or
- 1269 (B) allow any person to consume an alcoholic product on the premises of a package
- 1270 agency.
- 1271 (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.
- 1272 (10) (a) A package agency may not close or cease operation for a period longer than 72
- 1273 hours, unless:
- 1274 (i) the package agency notifies the department in writing at least seven days before the
- 1275 closing; and
- 1276 (ii) the closure or cessation of operation is first approved by the department.
- 1277 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
- 1278 agency shall immediately notify the department by telephone.
- 1279 (c) (i) The department may authorize a closure or cessation of operation for a period
- 1280 not to exceed 60 days.
- 1281 (ii) The department may extend the initial period an additional 30 days upon written
- 1282 request of the package agency and upon a showing of good cause.
- 1283 (iii) A closure or cessation of operation may not exceed a total of 90 days without
- 1284 commission approval.
- 1285 (d) The notice required by Subsection (10)(a) shall include:
- 1286 (i) the dates of closure or cessation of operation;
- 1287 (ii) the reason for the closure or cessation of operation; and
- 1288 (iii) the date on which the package agency will reopen or resume operation.
- 1289 (e) Failure of a package agency to provide notice and to obtain department
- 1290 authorization before closure or cessation of operation results in an automatic termination of the
- 1291 package agency agreement effective immediately.
- 1292 (f) Failure of a package agency to reopen or resume operation by the approved date
- 1293 results in an automatic termination of the package agency agreement effective on that date.
- 1294 (11) A package agency may not transfer its operations from one location to another
- 1295 location without prior written approval of the commission.
- 1296 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,

- 1297 exchange, barter, give, or attempt in any way to dispose of the package agency to another
1298 person, whether for monetary gain or not.
- 1299 (b) A package agency has no monetary value for any type of disposition.
- 1300 (13) (a) Subject to the other provisions of this Subsection (13):
- 1301 (i) sale or delivery of liquor may not be made on or from the premises of a package
1302 agency, and a package agency may not be kept open for the sale of liquor:
- 1303 (A) on Sunday; or
- 1304 (B) on a state or federal legal holiday.
- 1305 (ii) Sale or delivery of liquor may be made on or from the premises of a package
1306 agency, and a package agency may be open for the sale of liquor, only on a day and during
1307 hours that the commission directs by rule or order.
- 1308 (b) A package agency located at a manufacturing facility is not subject to Subsection
1309 (13)(a) if:
- 1310 (i) the package agency is located at a manufacturing facility licensed in accordance
1311 with Chapter 11, Manufacturing and Related Licenses Act;
- 1312 (ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing
1313 and Related Licenses Act, holds:
- 1314 (A) a full-service restaurant license;
- 1315 (B) a limited-service restaurant license;
- 1316 (C) a beer-only restaurant license;
- 1317 (D) a dining club license; or
- 1318 (E) a bar license;
- 1319 (iii) the restaurant, dining club, or bar is located at the manufacturing facility;
- 1320 (iv) the restaurant, dining club, or bar sells an alcoholic product produced at the
1321 manufacturing facility;
- 1322 (v) the manufacturing facility:
- 1323 (A) owns the restaurant, dining club, or bar; or
- 1324 (B) operates the restaurant, dining club, or bar;
- 1325 (vi) the package agency only sells an alcoholic product produced at the manufacturing
1326 facility; and
- 1327 (vii) the package agency's days and hours of sale are the same as the days and hours of

1328 sale at the restaurant, dining club, or bar.

1329 (c) (i) Subsection (13)(a) does not apply to a package agency held by the following if
1330 the package agent that holds the package agency to sell liquor at a resort or hotel does not sell
1331 liquor in a manner similar to a state store:

1332 (A) a resort licensee; or

1333 (B) a hotel licensee.

1334 (ii) The commission may by rule define what constitutes a package agency that sells
1335 liquor "in a manner similar to a state store."

1336 (14) (a) Except to the extent authorized by commission rule, a minor may not be
1337 admitted into, or be on the premises of, a package agency unless accompanied by a person who
1338 is:

1339 (i) 21 years of age or older; and

1340 (ii) the minor's parent, legal guardian, or spouse.

1341 (b) A package agent or staff of a package agency that has reason to believe that a
1342 person who is on the premises of a package agency is under the age of 21 and is not
1343 accompanied by a person described in Subsection (14)(a) may:

1344 (i) ask the suspected minor for proof of age;

1345 (ii) ask the person who accompanies the suspected minor for proof of age; and

1346 (iii) ask the suspected minor or the person who accompanies the suspected minor for
1347 proof of parental, guardianship, or spousal relationship.

1348 (c) A package agent or staff of a package agency shall refuse to sell liquor to the
1349 suspected minor and to the person who accompanies the suspected minor into the package
1350 agency if the minor or person fails to provide any information specified in Subsection (14)(b).

1351 (d) A package agent or staff of a package agency shall require the suspected minor and
1352 the person who accompanies the suspected minor into the package agency to immediately leave
1353 the premises of the package agency if the minor or person fails to provide information specified
1354 in Subsection (14)(b).

1355 (15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed
1356 container.

1357 (b) A person may not open a sealed container on the premises of a package agency.

1358 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or

1359 furnish liquor in other than a sealed container:

1360 (i) if the package agency is the type of package agency that authorizes the package
1361 agency to sell, offer for sale, or furnish the liquor as part of room service;

1362 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and

1363 (iii) subject to:

1364 (A) staff of the package agency providing the liquor in person only to an adult guest in
1365 the guest room;

1366 (B) staff of the package agency not leaving the liquor outside a guest room for retrieval
1367 by a guest; and

1368 (C) the same limits on the portions in which an alcoholic product may be sold by a
1369 retail licensee under Section [32B-5-304](#).

1370 (16) On or after October 1, 2011, a package agency may not sell, offer for sale, or
1371 furnish heavy beer in a sealed container that exceeds two liters.

1372 (17) The department may pay or otherwise remunerate a package agent on any basis,
1373 including sales or volume of business done by the package agency.

1374 (18) The commission may prescribe by policy or rule general operational requirements
1375 of a package agency that are consistent with this title and relate to:

1376 (a) physical facilities;

1377 (b) conditions of operation;

1378 (c) hours of operation;

1379 (d) inventory levels;

1380 (e) payment schedules;

1381 (f) methods of payment;

1382 (g) premises security; and

1383 (h) any other matter considered appropriate by the commission.

1384 (19) A package agency may not maintain a minibar.

1385 Section 13. Section **32B-5-102** is amended to read:

1386 **32B-5-102. Definitions.**

1387 [Reserved]

1388 As used in this chapter:

1389 (1) "Interim alcoholic beverage management agreement" means an agreement:

1390 (a) in connection with:
1391 (i) the transfer of a retail license; and
1392 (ii) (A) an asset sale of a retail licensee; or
1393 (B) a transfer of the management of a retail licensee to a new entity; and
1394 (b) under which the purchaser or the new management entity agrees to perform the
1395 operations of the retail licensee during the period that:
1396 (i) begins when:
1397 (A) the asset sale closes; or
1398 (B) the new management agreement is executed; and
1399 (ii) ends on the day after the day on which the commission approves the transfer of the
1400 retail license.

1401 (2) "Inventory transfer agreement" means an agreement under which a retail licensee
1402 agrees to sell or otherwise transfer all or part of the retail licensee's inventory of alcoholic
1403 product.

1404 Section 14. Section **32B-5-207** is amended to read:

1405 **32B-5-207. Multiple retail licenses on same premises.**

1406 (1) As used in this section, "sublicense premises" means the same as that term is
1407 defined in Sections [32B-8-102](#) and [32B-8b-102](#).

1408 (2) (a) The commission may not issue and one or more licensees may not hold more
1409 than one type of retail license for the same premises.

1410 (b) Notwithstanding Subsection (2)(a), the commission may issue and one or more
1411 licensees may hold more than one type of retail license for the same premises if:

- 1412 (i) the applicant or licensee satisfies the requirements for each retail license;
- 1413 (ii) the types of retail licenses issued or held are two or more of the following:
 - 1414 (A) a restaurant license;
 - 1415 (B) an on-premise beer retailer license that is not a tavern; and
 - 1416 (C) an on-premise banquet license or a reception center license; and
- 1417 (iii) the retail licenses do not operate at the same time on the same day.

1418 (3) When one or more licensees hold more than one type of retail license for the same
1419 premises under Subsection (2)(b), the one or more licensees shall post in a conspicuous
1420 location at the entrance of the room a sign that:

- 1421 (a) measures 8-1/2 inches by 11 inches; and
- 1422 (b) states whether the premises is currently operating as:
- 1423 (i) a restaurant;
- 1424 (ii) an on-premise beer retailer that is not a tavern; or
- 1425 (iii) a banquet or a reception center.
- 1426 (4) (a) The commission may not issue and one or more licensees may not hold a bar
- 1427 license or a tavern license in the same room as a restaurant license.
- 1428 (b) For purposes of Subsection (4)(a), two licenses are not considered in the same room
- 1429 if:
- 1430 (i) each shared permanent wall between the premises licensed as a bar or a tavern and
- 1431 the premises licensed as a restaurant measures at least eight feet high;
- 1432 (ii) the premises for each license has a separate entryway that does not require a patron
- 1433 to pass through the premises licensed as a bar or a tavern to access the premises licensed as a
- 1434 restaurant; and
- 1435 (iii) if a patron must pass through the premises licensed as a restaurant to access the
- 1436 entryway to the premises licensed as a bar or a tavern, a patron on the premises licensed as a
- 1437 restaurant cannot see a dispensing structure on the premises licensed as a bar or a tavern.
- 1438 (5) (a) If, on May 9, 2017, one or more licensees hold more than one type of retail
- 1439 license in violation of Subsection (2) or (4), the one or more licensees may operate under the
- 1440 different types of retail licenses through June 30, 2018.
- 1441 (b) A licensee may not operate in violation of Subsection (2) or (4) on or after July 1,
- 1442 2018.
- 1443 (c) Before July 1, 2018, each licensee described in Subsection (5)(a) shall notify the
- 1444 commission of each retail license that the licensee will surrender effective July 1, 2018, to
- 1445 comply with the provisions of Subsection (2) or (4).
- 1446 ~~[(d) The commission shall establish by rule, made in accordance with Title 63G,~~
- 1447 ~~Chapter 3, Utah Administrative Rulemaking Act, a procedure by which a licensee surrenders a~~
- 1448 ~~retail license under this Subsection (5).]~~
- 1449 (6) (a) The commission may issue more than one type of sublicense to a resort licensed
- 1450 under Chapter 8, Resort License Act, or a hotel licensed under Chapter 8b, Hotel License Act,
- 1451 for the same room if the sublicense premises are clearly delineated by one or more permanent

1452 physical structures, such as a wall or other architectural feature, that separate the sublicense
1453 premises.

1454 (b) A patron may not transport an alcoholic beverage between two sublicense premises
1455 located in the same room in accordance with Subsection (6)(a).

1456 (c) Notwithstanding any provision to the contrary, a minor may momentarily pass
1457 through a sublicense premises that is a bar to reach another location where a minor may
1458 lawfully be, if there is no practical alternative route to the location.

1459 Section 15. Section **32B-5-301** is amended to read:

1460 **32B-5-301. General operational requirements.**

1461 (1) (a) A retail licensee and staff of a retail licensee shall comply with this title and the
1462 rules of the commission, including the relevant part under Chapter 6, Specific Retail License
1463 Act, for the specific type of retail license.

1464 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1465 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1466 (i) a retail licensee;

1467 (ii) individual staff of a retail licensee; or

1468 (iii) both a retail licensee and staff of the retail licensee.

1469 (2) (a) If there is a conflict between this part and the relevant part under Chapter 6,
1470 Specific Retail License Act, for the specific type of retail license, the relevant part under
1471 Chapter 6 governs.

1472 (b) Notwithstanding that this part refers to "liquor" or an "alcoholic product," a retail
1473 licensee may only sell, offer for sale, furnish, or allow the consumption of an alcoholic product
1474 specifically authorized by the relevant part under Chapter 6, Specific Retail License Act.

1475 (c) Notwithstanding that this part or the relevant part under Chapter 6, Specific Retail
1476 License Act, refers to "retail licensee," staff of the retail licensee is subject to the same
1477 requirement or prohibition.

1478 (3) (a) A retail licensee shall display in a prominent place in the licensed premises the
1479 retail license that is issued by the department.

1480 (b) A retail licensee shall display in a prominent place a sign in large letters that
1481 consists of text in the following order:

1482 (i) a header that reads: "WARNING";

- 1483 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
1484 can cause birth defects and permanent brain damage for the child.";
- 1485 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
1486 [insert most current toll-free number] with questions or for more information.";
- 1487 (iv) a header that reads: "WARNING"; and
- 1488 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
1489 serious crime that is prosecuted aggressively in Utah."
- 1490 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
1491 font style than the text described in Subsections (3)(b)(iv) and (v).
- 1492 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
1493 same font size.
- 1494 (d) The Department of Health shall work with the commission and department to
1495 facilitate consistency in the format of a sign required under this section.
- 1496 (4) A retail licensee may not on the licensed premises:
- 1497 (a) engage in or permit any form of gambling, as defined and proscribed in Title 76,
1498 Chapter 10, Part 11, Gambling;
- 1499 (b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10,
1500 Part 11, Gambling; or
- 1501 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
1502 the risking of something of value for a return or for an outcome when the return or outcome is
1503 based upon an element of chance, excluding the playing of an amusement device that confers
1504 only an immediate and unrecorded right of replay not exchangeable for value.
- 1505 (5) A retail licensee may not knowingly allow a person on the licensed premises to, in
1506 violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug
1507 Paraphernalia Act:
- 1508 (a) sell, distribute, possess, or use a controlled substance, as defined in Section
1509 58-37-2; or
- 1510 (b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in
1511 Section 58-37a-3.
- 1512 (6) Upon the presentation of credentials, at any time during which a retail licensee is
1513 open for the transaction of business, the retail licensee shall immediately:

1514 (a) admit a commissioner, authorized department employee, or law enforcement officer
1515 to the retail licensee's premises; and

1516 (b) permit, without hindrance or delay, the person described in Subsection (6)(a) to
1517 inspect completely:

1518 (i) the entire premises of the retail licensee; and

1519 (ii) the records of the retail licensee.

1520 (7) An individual may not consume an alcoholic product on the licensed premises of a
1521 retail licensee on any day during the period:

1522 (a) beginning one hour after the time of day that the period during which a retail
1523 licensee may not sell, offer for sale, or furnish an alcoholic product on the licensed premises
1524 begins; and

1525 (b) ending at the time specified in the relevant part under Chapter 6, Specific Retail
1526 License Act, for the type of retail license when the retail licensee may first sell, offer for sale,
1527 or furnish an alcoholic product on the licensed premises on that day.

1528 (8) (a) An employee of a retail licensee who sells, offers for sale, or furnishes an
1529 alcoholic product to a patron shall wear an identification badge.

1530 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1531 commission shall make rules related to the requirement described in Subsection (8)(a).

1532 Section 16. Section **32B-5-303** is amended to read:

1533 **32B-5-303. Purchase and storage of an alcoholic product by a retail licensee.**

1534 (1) (a) A retail licensee may not purchase liquor except from a state store or package
1535 agency.

1536 (b) A retail licensee may transport liquor purchased from a state store or package
1537 agency from the place of purchase to the licensed premises.

1538 (c) A retail licensee shall pay for liquor in accordance with rules established by the
1539 commission.

1540 (2) (a) (i) A retail licensee may not purchase, acquire, possess for the purpose of resale,
1541 or sell beer except beer that the retail licensee purchases from:

1542 (A) a beer wholesaler licensee; or

1543 (B) a small brewer that manufactures the beer.

1544 (ii) Violation of this Subsection (2)(a) is a class A misdemeanor.

1545 (b) (i) If a retail licensee purchases beer under Subsection (2)(a) from a beer wholesaler
1546 licensee, the retail licensee shall purchase beer only from a beer wholesaler licensee who is
1547 designated by the manufacturer to sell beer in the geographical area in which the retail licensee
1548 is located, unless an alternate wholesaler is authorized by the department to sell to the retail
1549 licensee as provided in Section [32B-13-301](#).

1550 (ii) Violation of Subsection (2)(b) is a class B misdemeanor.

1551 (3) A retail licensee may not store, sell, offer for sale, or furnish an alcoholic product in
1552 a place other than as designated in the retail licensee's application, unless the retail licensee
1553 first applies for and receives approval from the department for a change of location within the
1554 licensed premises.

1555 (4) A liquor storage area shall remain locked at all times [~~other than those hours and~~
1556 ~~days when~~] except when:

1557 (a) liquor sales are authorized by law[-]; or

1558 (b) the licensee:

1559 (i) inventories or restocks the alcoholic product in the liquor storage area; or

1560 (ii) repairs or cleans the liquor storage area.

1561 Section 17. Section **32B-5-304** is amended to read:

1562 **32B-5-304. Portions in which alcoholic product may be sold.**

1563 (1) A retail licensee may sell, offer for sale, or furnish a primary spirituous liquor only
1564 in a quantity that does not exceed 1.5 ounces per beverage dispensed through a calibrated
1565 metered dispensing system approved by the department in accordance with commission rules
1566 adopted under this title, except that:

1567 (a) spirituous liquor need not be dispensed through a calibrated metered dispensing
1568 system if used as a secondary flavoring ingredient in a beverage subject to the following
1569 requirements:

1570 (i) the secondary ingredient may be dispensed only in conjunction with the purchase of
1571 a primary spirituous liquor;

1572 (ii) the secondary ingredient may not be the only spirituous liquor in the beverage;

1573 (iii) the retail licensee shall designate a location where flavorings are stored on the
1574 floor plan submitted to the department; and

1575 (iv) a flavoring container shall be plainly and conspicuously labeled "flavorings";

1576 (b) spirituous liquor need not be dispensed through a calibrated metered dispensing
1577 system if used:

1578 (i) as a flavoring on a dessert; and

1579 (ii) in the preparation of a flaming food dish, drink, or dessert; and

1580 (c) a patron may have no more than 2.5 ounces of spirituous liquor at a time.

1581 (2) (a) (i) A retail licensee may sell, offer for sale, or furnish wine by the glass or in an
1582 individual portion that does not exceed 5 ounces per glass or individual portion.

1583 (ii) A retail licensee may sell, offer for sale, or furnish an individual portion of wine to
1584 a patron in more than one glass if the total amount of wine does not exceed 5 ounces.

1585 (b) (i) A retail licensee may sell, offer for sale, or furnish wine in a container not
1586 exceeding 1.5 liters at a price fixed by the commission to a table of four or more persons.

1587 (ii) A retail licensee may sell, offer for sale, or furnish wine in a container not to
1588 exceed 750 milliliters at a price fixed by the commission to a table of less than four persons.

1589 (3) A retail licensee may sell, offer for sale, or furnish heavy beer in an original
1590 container at a price fixed by the commission, except that the original container may not exceed
1591 one liter.

1592 (4) A retail licensee may sell, offer for sale, or furnish a flavored malt beverage in an
1593 original container at a price fixed by the commission, except that the original container may not
1594 exceed one liter.

1595 (5) (a) Subject to Subsection (5)(b), a retail licensee may sell, offer for sale, or furnish
1596 beer for on-premise consumption:

1597 (i) in an open original container; and

1598 (ii) in a container on draft.

1599 (b) A retail licensee may not sell, offer for sale, or furnish beer under Subsection (5)(a):

1600 (i) in a size of container that exceeds two liters; or

1601 (ii) to an individual patron in a size of container that exceeds one liter.

1602 (c) A retail licensee may sell, offer for sale, or furnish a flight of beer to an individual
1603 patron if the total amount of beer does not exceed 16 ounces.

1604 Section 18. Section **32B-5-306** is amended to read:

1605 **32B-5-306. Purchasing or selling alcoholic product.**

1606 (1) A retail licensee may not sell, offer for sale, or furnish an alcoholic product to:

- 1607 (a) a minor;
- 1608 (b) a person actually, apparently, or obviously intoxicated;
- 1609 (c) a known interdicted person; or
- 1610 (d) a known habitual drunkard.
- 1611 (2) (a) A patron may only purchase an alcoholic product in the licensed premises of a
- 1612 retail licensee from and be served by an individual who is:
 - 1613 (i) staff of the retail licensee; and
 - 1614 (ii) designated and trained by the retail licensee to sell and serve an alcoholic product.
- 1615 (b) An individual may sell, offer for sale, or furnish an alcoholic product to a patron
- 1616 only if the individual is:
 - 1617 (i) staff of the retail licensee; and
 - 1618 (ii) designated and trained by the retail licensee to sell and serve an alcoholic product.
- 1619 (c) Notwithstanding Subsection (2)(a) or (b), a patron who purchases bottled wine from
- 1620 staff of the retail licensee or carries bottled wine onto the retail licensee's premises pursuant to
- 1621 Section [32B-5-307](#) may thereafter serve wine from the bottle to the patron or others at the
- 1622 patron's table.
- 1623 (3) The following may not purchase an alcoholic product for a patron:
 - 1624 (a) a retail licensee; or
 - 1625 (b) staff of a retail licensee.
- 1626 (4) After a retail licensee closes the retail licensee's business at the licensed premises,
- 1627 the retail licensee may transfer the retail licensee's inventory of alcoholic product from that
- 1628 premises to another premises licensed under this chapter that is owned by the same retail
- 1629 licensee.
- 1630 Section 19. Section **32B-5-308** is amended to read:
- 1631 **32B-5-308. Requirements on staff or others on premises -- Employing a minor.**
- 1632 (1) Staff of a retail licensee, while on duty, may not:
 - 1633 (a) consume an alcoholic product; or
 - 1634 (b) be intoxicated.
- 1635 (2) (a) A retail licensee may not employ a minor to sell, offer for sale, furnish, or
- 1636 dispense an alcoholic product.
- 1637 (b) Notwithstanding Subsection (2)(a), unless otherwise prohibited in the provisions

1638 related to the specific type of retail license, a retail licensee may employ a minor who is at least
1639 16 years of age to enter the sale at a cash register or other sales recording device.

1640 (3) A full-service restaurant licensee, limited-service restaurant licensee, or beer-only
1641 restaurant licensee may employ a minor who is at least ~~[18]~~ 16 years of age to bus tables,
1642 including containers that contain an alcoholic product.

1643 Section 20. Section **32B-5-310** is amended to read:

1644 **32B-5-310. Notifying department of change in ownership -- Inventory transfers --**
1645 **Interim alcoholic beverage management agreements.**

1646 (1) The commission may suspend or revoke a retail license if the retail licensee does
1647 not immediately notify the department of a change in:

1648 ~~[(1)]~~ (a) ownership of ~~[the premises of]~~ the retail license;

1649 (b) the entity that manages the retail licensee or a premises licensed under this chapter;

1650 ~~[(2)]~~ (c) for a corporate owner, the:

1651 ~~[(a)]~~ (i) corporate officers or directors of the retail licensee; or

1652 ~~[(b)]~~ (ii) shareholders holding at least 20% of the total issued and outstanding stock of
1653 the corporation; or

1654 ~~[(3)]~~ (d) for a limited liability company:

1655 ~~[(a)]~~ (i) managers of the limited liability company; or

1656 ~~[(b)]~~ (ii) members owning at least 20% of the limited liability company.

1657 (2) Notwithstanding any other provision of this title, in connection with an event
1658 described in Section [32B-8a-202](#) or an asset sale of a retail licensee, the parties to the
1659 transaction may enter into an inventory transfer agreement.

1660 (3) A retail licensee may enter into an interim alcoholic beverage management
1661 agreement that provides:

1662 (a) all proceeds, less cost of goods sold, from the sale of alcohol shall accrue to the
1663 current retail licensee; and

1664 (b) for the duration of the agreement, the current retail licensee:

1665 (i) shall comply with the requirements of this title that are applicable to the retail
1666 license; and

1667 (ii) in accordance with this title, is subject to disciplinary action by the commission for
1668 any violation of this title.

1669 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1670 department may make rules governing the requirements of:

1671 (a) an inventory transfer agreement; and

1672 (b) an interim alcoholic beverage management agreement.

1673 Section 21. Section **32B-6-203** is amended to read:

1674 **32B-6-203. Commission's power to issue full-service restaurant license.**

1675 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
1676 an alcoholic product on its premises as a full-service restaurant, the person shall first obtain a
1677 full-service restaurant license from the commission in accordance with this part.

1678 (2) The commission may issue a full-service restaurant license to establish full-service
1679 restaurant licensed premises at places and in numbers the commission considers proper for the
1680 storage, sale, offer for sale, furnishing, and consumption of an alcoholic product on premises
1681 operated as a full-service restaurant.

1682 (3) Subject to Section [32B-1-201](#):

1683 (a) The commission may not issue a total number of full-service restaurant licenses that
1684 at any time exceeds the number determined by dividing the population of the state by 4,467.

1685 (b) The commission may issue a seasonal full-service restaurant license in accordance
1686 with Section [32B-5-206](#).

1687 (c) (i) If the location, design, and construction of a hotel may require more than one
1688 full-service restaurant sales location within the hotel to serve the public convenience, the
1689 commission may authorize the sale, offer for sale, or furnishing of an alcoholic product at as
1690 many as three full-service restaurant locations within the hotel under one full-service restaurant
1691 license if:

1692 (A) the hotel has a minimum of 150 guest rooms; and

1693 (B) the locations under the full-service restaurant license are:

1694 (I) within the same hotel; and

1695 (II) on premises that are managed or operated, and owned or leased, by the full-service
1696 restaurant licensee.

1697 (ii) A facility other than a hotel shall have a separate full-service restaurant license for
1698 each full-service restaurant where an alcoholic product is sold, offered for sale, or furnished.

1699 (4) Except as otherwise provided in Section [32B-1-202](#), the commission may not issue

1700 a full-service restaurant license for premises that do not meet the proximity requirements of
1701 Subsection 32B-1-202(2).

1702 (5) To be licensed as a full-service restaurant, a person shall maintain at least 70% of
1703 the restaurant's gross revenues from the sale of food, which does not include:

1704 (a) mix for an alcoholic product; or

1705 (b) a service charge.

1706 Section 22. Section 32B-6-205 is amended to read:

1707 **32B-6-205. Specific operational requirements for a full-service restaurant license**

1708 **-- Before July 1, 2018, or July 1, 2022.**

1709 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1710 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
1711 shall comply with this section.

1712 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1713 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1714 (i) a full-service restaurant licensee;

1715 (ii) individual staff of a full-service restaurant licensee; or

1716 (iii) both a full-service restaurant licensee and staff of the full-service restaurant
1717 licensee.

1718 (2) In addition to complying with Subsection 32B-5-301(3), a full-service restaurant
1719 licensee shall display in a prominent place in the restaurant a list of the types and brand names
1720 of liquor being furnished through the full-service restaurant licensee's calibrated metered
1721 dispensing system.

1722 (3) In addition to complying with Section 32B-5-303, a full-service restaurant licensee
1723 shall store an alcoholic product in a storage area described in Subsection [~~(12)~~] (11)(a).

1724 (4) (a) An individual who serves an alcoholic product in a full-service restaurant
1725 licensee's premises shall make a written beverage tab for each table or group that orders or
1726 consumes an alcoholic product on the premises.

1727 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an
1728 alcoholic product ordered or consumed.

1729 (5) A person's willingness to serve an alcoholic product may not be made a condition
1730 of employment as a server with a full-service restaurant licensee.

1731 (6) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the
1732 licensed premises during the following time periods only:

1733 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

1734 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
1735 period that begins at 10:30 a.m. and ends at 11:59 p.m.

1736 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the
1737 licensed premises during the following time periods only:

1738 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

1739 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
1740 period that begins at 10:30 a.m. and ends at 12:59 a.m.

1741 ~~[(7) A full-service restaurant licensee shall maintain at least 70% of its total restaurant
1742 business from the sale of food, which does not include:]~~

1743 ~~[(a) mix for an alcoholic product, or]~~

1744 ~~[(b) a service charge.]~~

1745 ~~[(8)]~~ (7) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an
1746 alcoholic product except after the full-service restaurant licensee confirms that the patron has
1747 the intent to order food prepared, sold, and furnished at the licensed premises.

1748 (b) A full-service restaurant licensee shall maintain on the licensed premises adequate
1749 culinary facilities for food preparation and dining accommodations.

1750 ~~[(9)]~~ (8) (a) Subject to the other provisions of this Subsection ~~[(9)]~~ (8), a patron may
1751 not have more than two alcoholic products of any kind at a time before the patron.

1752 (b) A patron may not have more than one spirituous liquor drink at a time before the
1753 patron.

1754 (c) An individual portion of wine is considered to be one alcoholic product under
1755 Subsection ~~[(9)]~~ (8)(a).

1756 ~~[(10)]~~ (9) A patron may consume an alcoholic product only:

1757 (a) at:

1758 (i) the patron's table;

1759 (ii) a counter; or

1760 (iii) a seating grandfathered bar structure; and

1761 (b) where food is served.

1762 [~~(H)~~] (10) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish
1763 an alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar
1764 structure that is not a seating grandfathered bar structure.

1765 (b) At a seating grandfathered bar structure a patron who is 21 years of age or older
1766 may:

- 1767 (i) sit;
- 1768 (ii) be furnished an alcoholic product; and
- 1769 (iii) consume an alcoholic product.

1770 (c) Except as provided in Subsection [~~(H)~~] (10)(d), at a seating grandfathered bar
1771 structure a full-service restaurant licensee may not permit a minor to, and a minor may not:

- 1772 (i) sit; or
- 1773 (ii) consume food or beverages.

1774 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is
1775 employed by a full-service restaurant licensee:

- 1776 (A) as provided in Subsection [32B-5-308](#)(2); or
- 1777 (B) to perform maintenance and cleaning services during an hour when the full-service
1778 restaurant licensee is not open for business.
- 1779 (ii) A minor may momentarily pass by a seating grandfathered bar structure without
1780 remaining or sitting at the bar structure en route to an area of a full-service restaurant licensee's
1781 premises in which the minor is permitted to be.

1782 [~~(H2)~~] (11) Except as provided in Subsection [32B-5-307](#)(3), a full-service restaurant
1783 licensee may dispense an alcoholic product only if:

- 1784 (a) the alcoholic product is dispensed from:
 - 1785 (i) a grandfathered bar structure;
 - 1786 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
1787 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
1788 12, 2009; or

- 1789 (iii) an area that is:
 - 1790 (A) separated from an area for the consumption of food by a patron by a solid,
1791 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
1792 an alcoholic product are:

1793 (I) not readily visible to a patron; and

1794 (II) not accessible by a patron; and

1795 (B) apart from an area used:

1796 (I) for dining;

1797 (II) for staging; or

1798 (III) as a lobby or waiting area;

1799 (b) the full-service restaurant licensee uses an alcoholic product that is:

1800 (i) stored in an area described in Subsection [~~(12)~~] (11)(a); or

1801 (ii) in an area not described in Subsection [~~(12)~~] (11)(a) on the licensed premises and:

1802 (A) immediately before the alcoholic product is dispensed it is in an unopened

1803 container; (B) the unopened container is taken to an area described in Subsection [~~(12)~~] (11)(a)

1804 before it is opened; and (C) once opened, the container is stored in an area described in

1805 Subsection [~~(12)~~] (11)(a); and

1806 (c) any instrument or equipment used to dispense alcoholic product is located in an

1807 area described in Subsection [~~(12)~~] (11)(a).

1808 [~~(13)~~] (12) A full-service restaurant licensee may state in a food or alcoholic product

1809 menu a charge or fee made in connection with the sale, service, or consumption of liquor

1810 including:

1811 (a) a set-up charge;

1812 (b) a service charge; or

1813 (c) a chilling fee.

1814 [~~(14)~~] (13) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or

1815 beverages within 10 feet of a grandfathered bar structure, unless:

1816 (a) seating within 10 feet of the grandfathered bar structure is the only seating available

1817 in the licensed premises; and

1818 (b) the minor is accompanied by an individual who is 21 years of age or older.

1819 [~~(15)~~] (14) Except as provided in Subsection 32B-6-205.2[~~(16)~~](15) and Section

1820 32B-6-205.3, the provisions of this section apply before July 1, 2018.

1821 Section 23. Section 32B-6-205.2 is amended to read:

1822 **32B-6-205.2. Specific operational requirements for a full-service restaurant**

1823 **license -- On and after July 1, 2018, or July 1, 2022.**

1824 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1825 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
1826 shall comply with this section.

1827 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
1828 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

1829 (i) a full-service restaurant licensee;

1830 (ii) individual staff of a full-service restaurant licensee; or

1831 (iii) both a full-service restaurant licensee and staff of the full-service restaurant
1832 licensee.

1833 (2) (a) An individual who serves an alcoholic product in a full-service restaurant
1834 licensee's premises shall make a beverage tab for each table or group that orders or consumes
1835 an alcoholic product on the premises.

1836 (b) A beverage tab described in this Subsection (2) shall state the type and amount of
1837 each alcoholic product ordered or consumed.

1838 (3) A full-service restaurant licensee may not make an individual's willingness to serve
1839 an alcoholic product a condition of employment with a full-service restaurant licensee.

1840 (4) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the
1841 licensed premises during the following time periods only:

1842 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

1843 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
1844 period that begins at 10:30 a.m. and ends at 11:59 p.m.

1845 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the
1846 licensed premises during the following time periods only:

1847 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

1848 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
1849 period that begins at 10:30 a.m. and ends at 12:59 a.m.

1850 ~~[(5) A full-service restaurant licensee shall maintain at least 70% of the full-service~~
1851 ~~restaurant licensee's total restaurant business from the sale of food, which does not include:]~~

1852 ~~[(a) mix for an alcoholic product, or]~~

1853 ~~[(b) a service charge.]~~

1854 ~~[(6)]~~ (5) (a) A full-service restaurant licensee may not furnish an alcoholic product

1855 except after:

1856 (i) the patron to whom the full-service restaurant licensee furnishes the alcoholic
1857 product is seated at:

1858 (A) a table that is located in a dining area or a dispensing area;

1859 (B) a counter that is located in a dining area or a dispensing area; or

1860 (C) a dispensing structure that is located in a dispensing area; and

1861 (ii) the full-service restaurant licensee confirms that the patron intends to:

1862 (A) order food prepared, sold, and furnished at the licensed premises; and

1863 (B) except as provided in Subsection [~~(6)~~] (5)(b), consume the food at the same
1864 location where the patron is seated and furnished the alcoholic product.

1865 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a
1866 full-service restaurant licensee, the full-service restaurant licensee may sell, offer for sale, or
1867 furnish to the patron one drink that contains a single portion of an alcoholic product as
1868 described in Section 32B-5-304 if:

1869 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing
1870 structure; and

1871 (B) the full-service restaurant licensee first confirms that after the patron is seated in
1872 the dining area, the patron intends to order food prepared, sold, and furnished at the licensed
1873 premises.

1874 (ii) If the patron does not finish the patron's alcoholic product before moving to a seat
1875 in the dining area, an employee of the full-service restaurant licensee who is qualified to sell
1876 and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished portion
1877 of the patron's alcoholic product to the patron's seat in the dining area.

1878 (iii) For purposes of Subsection [~~(6)~~] (5)(b)(i) a single portion of wine is 5 ounces or
1879 less.

1880 (c) A full-service restaurant licensee shall maintain on the licensed premises adequate
1881 culinary facilities for food preparation and dining accommodations.

1882 [~~(7)~~] (6) A patron may consume an alcoholic product only if the patron is seated at:

1883 (a) a table that is located in a dining area or dispensing area;

1884 (b) a counter that is located in a dining area or dispensing area; or

1885 (c) a dispensing structure located in a dispensing area.

1886 ~~[(8)]~~ (7) (a) Subject to the other provisions of this Subsection ~~[(8)]~~ (7), a patron may
1887 not have more than two alcoholic products of any kind at a time before the patron.

1888 (b) A patron may not have more than one spirituous liquor drink at a time before the
1889 patron.

1890 (c) An individual portion of wine is considered to be one alcoholic product under
1891 Subsection ~~[(8)]~~ (7)(a).

1892 ~~[(9)]~~ (8) In accordance with the provisions of this section, an individual who is at least
1893 21 years of age may consume food and beverages in a dispensing area.

1894 ~~[(10)]~~ (9) (a) Except as provided in Subsection ~~[(10)]~~ (9)(b), a minor may not sit,
1895 remain, or consume food or beverages in a dispensing area.

1896 (b) (i) A minor may be in a dispensing area if the minor is ~~[employed by the~~
1897 ~~full-service restaurant licensee]~~:

1898 ~~[(A) in accordance with Subsection 32B-5-308(2); or]~~

1899 (A) at least 16 years of age and working as an employee of the full-service restaurant
1900 licensee; or

1901 (B) ~~[to perform]~~ performing maintenance and cleaning services as an employee of the
1902 full-service restaurant licensee when the full-service restaurant licensee is not open for
1903 business.

1904 (ii) If there is no alternative route available, a minor may momentarily pass through a
1905 dispensing area without remaining or sitting in the dispensing area en route to an area of the
1906 full-service restaurant licensee's premises in which the minor is permitted to be.

1907 ~~[(11)]~~ (10) Except as provided in Subsection 32B-5-307(3), a full-service restaurant
1908 licensee may dispense an alcoholic product only if:

1909 (a) the alcoholic product is dispensed from:

1910 (i) a dispensing structure that is located in a dispensing area;

1911 (ii) an area that is:

1912 (A) separated from an area for the consumption of food by a patron by a solid,
1913 translucent, permanent structural barrier such that the facilities for the dispensing of an
1914 alcoholic product are not readily visible to a patron and not accessible by a patron; and

1915 (B) apart from an area used for dining, for staging, or as a waiting area; or

1916 (iii) the premises of a bar licensee that is:

1917 (A) owned by the same person or persons as the full-service restaurant licensee; and
1918 (B) located immediately adjacent to the premises of the full-service restaurant licensee;
1919 and

1920 (b) any instrument or equipment used to dispense alcoholic product is located in an
1921 area described in Subsection ~~[(11)]~~ (10)(a).

1922 ~~[(12)]~~ (11) (a) A full-service restaurant licensee may have more than one dispensing
1923 area in the licensed premises.

1924 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
1925 dispensing area under Subsection 32B-6-202(2)(a)(i), (ii), or (iii), regardless of how any other
1926 dispensing area in the licensed premises satisfies the requirements for a dispensing area.

1927 ~~[(13)]~~ (12) A full-service restaurant licensee may not:

1928 (a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or

1929 (b) display an alcoholic product or a product intended to appear like an alcoholic
1930 product by moving a cart or similar device around the licensed premises.

1931 ~~[(14)]~~ (13) A full-service restaurant licensee may state in a food or alcoholic product
1932 menu a charge or fee made in connection with the sale, service, or consumption of liquor,
1933 including:

1934 (a) a set-up charge;

1935 (b) a service charge; or

1936 (c) a chilling fee.

1937 ~~[(15)]~~ (14) (a) In addition to the requirements described in Section 32B-5-302, a
1938 full-service restaurant licensee shall maintain each of the following records for at least three
1939 years:

1940 (i) a record required by Section 32B-5-302; and

1941 (ii) a record that the commission requires a full-service restaurant licensee to use or
1942 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
1943 Rulemaking Act.

1944 (b) The department shall audit the records of a full-service restaurant licensee at least
1945 once each calendar year.

1946 ~~[(16)]~~ (15) (a) In accordance with Section 32B-6-205.3, a full-service restaurant
1947 licensee:

1948 (i) may comply with the provisions of this section beginning on or after July 1, 2017;
1949 and

1950 (ii) shall comply with the provisions of this section:

1951 (A) for a full-service restaurant licensee that does not have a grandfathered bar
1952 structure, on and after July 1, 2018; or

1953 (B) for a full-service restaurant licensee that has a grandfathered bar structure, on and
1954 after July 1, 2022.

1955 (b) A full-service restaurant licensee that elects to comply with the provisions of this
1956 section before the latest applicable date described in Subsection [(16)] (15)(a)(ii):

1957 (i) shall comply with each provision of this section; and

1958 (ii) is not required to comply with the provisions of Section 32B-6-205.

1959 Section 24. Section 32B-6-206 is amended to read:

1960 **32B-6-206. Master full-service restaurant license.**

1961 (1) (a) The commission may issue a master full-service restaurant license that
1962 authorizes a person to store, sell, offer for sale, furnish, or allow the consumption of an
1963 alcoholic product on premises at multiple locations as full-service restaurants if the person
1964 applying for the master full-service restaurant license:

1965 (i) owns each of the full-service restaurants;

1966 (ii) except for the fee requirements, establishes to the satisfaction of the commission
1967 that each location of a full-service restaurant under the master full-service restaurant license
1968 separately meets the requirements of this part; and

1969 (iii) the master full-service restaurant license includes at least five full-service
1970 restaurant locations.

1971 (b) The person seeking a master full-service restaurant license shall designate which
1972 full-service restaurant locations the person seeks to have under the master full-service
1973 restaurant license.

1974 (c) A full-service restaurant location under a master full-service restaurant license is
1975 considered separately licensed for purposes of this title, except as provided in this section.

1976 (2) A master full-service restaurant license and each location designated under
1977 Subsection (1) are considered a single full-service restaurant license for purposes of Subsection
1978 32B-6-203(3)(a).

- 1979 (3) (a) A master full-service restaurant license expires on October 31 of each year.
- 1980 (b) To renew a person's master full-service restaurant license, a person shall comply
- 1981 with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than
- 1982 September 30.
- 1983 (4) (a) The nonrefundable application fee for a master full-service restaurant license is
- 1984 \$330.
- 1985 (b) The initial license fee for a master full-service restaurant license is \$10,000 plus a
- 1986 separate initial license fee for each newly licensed full-service restaurant license under the
- 1987 master full-service restaurant license determined in accordance with Subsection
- 1988 [32B-6-204\(3\)\(b\)](#).
- 1989 (c) The renewal fee for a master full-service restaurant license is \$1,000 plus a separate
- 1990 renewal fee for each full-service license under the master full-service restaurant license
- 1991 determined in accordance with Subsection [32B-6-204\(3\)\(c\)](#).
- 1992 (5) A new location may be added to a master full-service restaurant license after the
- 1993 master full-service restaurant license is issued if:
- 1994 (a) the master full-service restaurant licensee pays a nonrefundable application fee of
- 1995 \$330; and
- 1996 (b) including payment of the initial license fee, the location separately meets the
- 1997 requirements of this part.
- 1998 (6) (a) A master full-service restaurant licensee shall notify the department of a change
- 1999 in the persons managing a location covered by a master full-service restaurant license:
- 2000 (i) immediately, if the management personnel is not management personnel at a
- 2001 location covered by the master full-service restaurant licensee at the time of the change; or
- 2002 (ii) within 30 days of the change, if the master full-service restaurant licensee is
- 2003 transferring management personnel from one location to another location covered by the master
- 2004 full-service restaurant licensee.
- 2005 (b) A location covered by a master full-service restaurant license shall keep its own
- 2006 records on its premises so that the department may audit the records.
- 2007 (c) A master full-service restaurant licensee may not transfer alcoholic products
- 2008 between different locations covered by the master full-service restaurant license.
- 2009 (7) (a) If there is a violation of this title at a location covered by a master full-service

2010 restaurant license, the violation may result in disciplinary action in accordance with Chapter 3,
2011 Disciplinary Actions and Enforcement Act, against:

- 2012 (i) the single location under a master full-service restaurant license;
- 2013 (ii) individual staff of the location under the master full-service restaurant license; or
- 2014 (iii) a combination of persons or locations described in Subsections (7)(a)(i) and (ii).

2015 (b) In addition to disciplinary action under Subsection (7)(a), disciplinary action in
2016 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, may be taken against a
2017 master full-service restaurant licensee or individual staff of the master full-service restaurant
2018 licensee if during a period beginning on November 1 and ending October 31:

2019 (i) at least 25% of the locations covered by the master full-service restaurant license
2020 have been found by the commission to have committed a serious or grave violation of this title,
2021 as defined by rule made by the commission; or

2022 (ii) at least 50% of the locations covered by the master full-service restaurant license
2023 have been found by the commission to have violated this title.

2024 (8) The commission may make rules, in accordance with Title 63G, Chapter 3, Utah
2025 Administrative Rulemaking Act, to establish how a person may apply for a master full-service
2026 restaurant license under this section.

2027 Section 25. Section **32B-6-303** is amended to read:

2028 **32B-6-303. Commission's power to issue limited-service restaurant license.**

2029 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
2030 wine, heavy beer, or beer on its premises as a limited-service restaurant, the person shall first
2031 obtain a limited-service restaurant license from the commission in accordance with this part.

2032 (2) (a) The commission may issue a limited-service restaurant license to establish
2033 limited-service restaurant licensed premises at places and in numbers the commission considers
2034 proper for the storage, sale, offer for sale, furnishing, and consumption of wine, heavy beer, or
2035 beer on premises operated as a limited-service restaurant.

2036 (b) A person may not sell, offer for sale, furnish, or allow the consumption of the
2037 following on the licensed premises of a limited-service restaurant licensee:

- 2038 (i) spirituous liquor; or
- 2039 (ii) a flavored malt beverage.

2040 (3) Subject to Section [32B-1-201](#):

2041 (a) The commission may not issue a total number of limited-service restaurant licenses
2042 that at any time exceeds the number determined by dividing the population of the state by
2043 6,817.

2044 (b) The commission may issue a seasonal limited-service restaurant license in
2045 accordance with Section 32B-5-206.

2046 (c) (i) If the location, design, and construction of a hotel may require more than one
2047 limited-service restaurant sales location within the hotel to serve the public convenience, the
2048 commission may authorize the sale of wine, heavy beer, and beer at as many as three
2049 limited-service restaurant locations within the hotel under one limited-service restaurant license
2050 if:

2051 (A) the hotel has a minimum of 150 guest rooms; and

2052 (B) the locations under the limited-service restaurant license are:

2053 (I) within the same hotel; and

2054 (II) on premises that are managed or operated, and owned or leased, by the
2055 limited-service restaurant licensee.

2056 (ii) A facility other than a hotel shall have a separate limited-service restaurant license
2057 for each limited-service restaurant where wine, heavy beer, or beer is sold, offered for sale, or
2058 furnished.

2059 (4) Except as otherwise provided in Section 32B-1-202, the commission may not issue
2060 a limited-service restaurant license for premises that do not meet the proximity requirements of
2061 Subsection 32B-1-202(2).

2062 (5) To be licensed as a limited-service restaurant, a person shall maintain at least 70%
2063 of the restaurant's gross revenues from the sale of food, which does not include:

2064 (a) mix for an alcoholic product; or

2065 (b) a service charge.

2066 Section 26. Section 32B-6-305 is amended to read:

2067 **32B-6-305. Specific operational requirements for a limited-service restaurant**
2068 **license -- Before July 1, 2018, or July 1, 2022.**

2069 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2070 Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
2071 licensee shall comply with this section.

2072 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2073 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2074 (i) a limited-service restaurant licensee;

2075 (ii) individual staff of a limited-service restaurant licensee; or

2076 (iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
2077 licensee.

2078 (2) (a) A limited-service restaurant licensee on the licensed premises may not sell, offer
2079 for sale, furnish, or allow consumption of:

2080 (i) spirituous liquor; or

2081 (ii) a flavored malt beverage.

2082 (b) A product listed in Subsection (2)(a) may not be on the premises of a
2083 limited-service restaurant licensee except for use:

2084 (i) as a flavoring on a dessert; and

2085 (ii) in the preparation of a flaming food dish, drink, or dessert.

2086 (3) In addition to complying with Section [32B-5-303](#), a limited-service restaurant
2087 licensee shall store an alcoholic product in a storage area described in Subsection [~~(12)~~]
2088 (11)(a).

2089 (4) (a) An individual who serves an alcoholic product in a limited-service restaurant
2090 licensee's premises shall make a written beverage tab for each table or group that orders or
2091 consumes an alcoholic product on the premises.

2092 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an
2093 alcoholic product ordered or consumed.

2094 (5) A person's willingness to serve an alcoholic product may not be made a condition
2095 of employment as a server with a limited-service restaurant licensee.

2096 (6) (a) A limited-service restaurant licensee may sell, offer for sale, or furnish wine or
2097 heavy beer at the licensed premises during the following time periods only:

2098 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

2099 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2100 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2101 (b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer at the
2102 licensed premises during the following time periods only:

2103 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2104 (ii) on a weekend or state or federal legal holiday or for a private event, during the

2105 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2106 ~~[(7) A limited-service restaurant licensee shall maintain at least 70% of its total~~

2107 ~~restaurant business from the sale of food, which does not include a service charge.]~~

2108 [(8)] (7) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish

2109 an alcoholic product except after the limited-service restaurant licensee confirms that the

2110 patron has the intent to order food prepared, sold, and furnished at the licensed premises.

2111 (b) A limited-service restaurant licensee shall maintain on the licensed premises

2112 adequate culinary facilities for food preparation and dining accommodations.

2113 [(9)] (8) (a) Subject to the other provisions of this Subsection [(9)] (8), a patron may

2114 not have more than two alcoholic products of any kind at a time before the patron.

2115 (b) An individual portion of wine is considered to be one alcoholic product under

2116 Subsection [(9)] (8)(a).

2117 [(10)] (9) A patron may consume an alcoholic product only:

2118 (a) at:

2119 (i) the patron's table;

2120 (ii) a counter; or

2121 (iii) a seating grandfathered bar structure; and

2122 (b) where food is served.

2123 [(11)] (10) (a) A limited-service restaurant licensee may not sell, offer for sale, or

2124 furnish an alcoholic product to a patron, and a patron may not consume an alcoholic product at

2125 a bar structure that is not a seating grandfathered bar structure.

2126 (b) At a seating grandfathered bar structure a patron who is 21 years of age or older

2127 may:

2128 (i) sit;

2129 (ii) be furnished an alcoholic product; and

2130 (iii) consume an alcoholic product.

2131 (c) Except as provided in Subsection [(11)] (10)(d), at a seating grandfathered bar

2132 structure a limited-service restaurant licensee may not permit a minor to, and a minor may not:

2133 (i) sit; or

2134 (ii) consume food or beverages.

2135 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is
2136 employed by a limited-service restaurant licensee:

2137 (A) as provided in Subsection 32B-5-308(2); or

2138 (B) to perform maintenance and cleaning services during an hour when the
2139 limited-service restaurant licensee is not open for business.

2140 (ii) A minor may momentarily pass by a seating grandfathered bar structure without
2141 remaining or sitting at the bar structure en route to an area of a limited-service restaurant
2142 licensee's premises in which the minor is permitted to be.

2143 [~~(12)~~] (11) Except as provided in Subsection 32B-5-307(3), a limited-service
2144 restaurant licensee may dispense an alcoholic product only if:

2145 (a) the alcoholic product is dispensed from:

2146 (i) a grandfathered bar structure;

2147 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
2148 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
2149 12, 2009; or

2150 (iii) an area that is:

2151 (A) separated from an area for the consumption of food by a patron by a solid,
2152 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
2153 an alcoholic product are:

2154 (I) not readily visible to a patron; and

2155 (II) not accessible by a patron; and

2156 (B) apart from an area used:

2157 (I) for dining;

2158 (II) for staging; or

2159 (III) as a lobby or waiting area;

2160 (b) the limited-service restaurant licensee uses an alcoholic product that is:

2161 (i) stored in an area described in Subsection [~~(12)~~] (11)(a); or

2162 (ii) in an area not described in Subsection [~~(12)~~] (11)(a) on the licensed premises and:

2163 (A) immediately before the alcoholic product is dispensed it is in an unopened
2164 container;

2165 (B) the unopened container is taken to an area described in Subsection [~~(12)~~] (11)(a)
2166 before it is opened; and

2167 (C) once opened, the container is stored in an area described in Subsection [~~(12)~~]
2168 (11)(a); and

2169 (c) any instrument or equipment used to dispense alcoholic product is located in an
2170 area described in Subsection [~~(12)~~] (11)(a).

2171 [~~(13)~~] (12) A limited-service restaurant licensee may state in a food or alcoholic
2172 product menu a charge or fee made in connection with the sale, service, or consumption of
2173 wine or heavy beer including:

2174 (a) a set-up charge;

2175 (b) a service charge; or

2176 (c) a chilling fee.

2177 [~~(14)~~] (13) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
2178 beverages within 10 feet of a grandfathered bar structure, unless:

2179 (a) seating within 10 feet of the grandfathered bar structure is the only seating available
2180 in the licensed premises; and

2181 (b) the minor is accompanied by an individual who is 21 years of age or older.

2182 [~~(15)~~] (14) Except as provided in Subsection [32B-6-305.2](#)[~~(16)~~](15) and Section
2183 [32B-6-305.3](#), the provisions of this section apply before July 1, 2018.

2184 Section 27. Section [32B-6-305.2](#) is amended to read:

2185 **32B-6-305.2. Specific operational requirements for a limited-service restaurant**
2186 **license -- On and after July 1, 2018, or July 1, 2022.**

2187 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2188 Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
2189 licensee shall comply with this section.

2190 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
2191 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2192 (i) a limited-service restaurant licensee;

2193 (ii) individual staff of a limited-service restaurant licensee; or

2194 (iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
2195 licensee.

2196 (2) (a) An individual who serves an alcoholic product in a limited-service restaurant
2197 licensee's premises shall make a beverage tab for each table or group that orders or consumes
2198 an alcoholic product on the premises.

2199 (b) A beverage tab described in this Subsection (2) shall state the type and amount of
2200 each alcoholic product ordered or consumed.

2201 (3) A limited-service restaurant licensee may not make an individual's willingness to
2202 serve an alcoholic product a condition of employment with a limited-service restaurant
2203 licensee.

2204 (4) (a) A limited-service restaurant licensee may sell, offer for sale, or furnish wine or
2205 heavy beer at the licensed premises during the following time periods only:

2206 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

2207 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2208 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2209 (b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer at the
2210 licensed premises during the following time periods only:

2211 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2212 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2213 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2214 ~~[(5) A limited-service restaurant licensee shall maintain at least 70% of the~~
2215 ~~limited-service restaurant licensee's total restaurant business from the sale of food, which does~~
2216 ~~not include a service charge.]~~

2217 ~~[(6)]~~ (5) (a) A limited-service restaurant licensee may not furnish an alcoholic product
2218 except after:

2219 (i) the patron to whom the limited-service restaurant licensee furnishes the alcoholic
2220 product is seated at:

2221 (A) a table that is located in a dining area or a dispensing area;

2222 (B) a counter that is located in a dining area or a dispensing area; or

2223 (C) a dispensing structure that is located in a dispensing area; and

2224 (ii) the limited-service restaurant licensee confirms that the patron intends to:

2225 (A) order food prepared, sold, and furnished at the licensed premises; and

2226 (B) except as provided in Subsection ~~[(6)]~~ (5)(b), consume the food at the same

2227 location where the patron is seated and furnished the alcoholic product.

2228 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a
2229 limited-service restaurant licensee, the limited-service restaurant licensee may sell, offer for
2230 sale, or furnish to the patron one drink that contains a single portion of an alcoholic product as
2231 described in Section 32B-5-304 if:

2232 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing
2233 structure; and

2234 (B) the limited-service restaurant licensee first confirms that after the patron is seated
2235 in the dining area, the patron intends to order food prepared, sold, and furnished at the licensed
2236 premises.

2237 (ii) If the patron does not finish the patron's alcoholic product before moving to a seat
2238 in the dining area, an employee of the limited-service restaurant licensee who is qualified to
2239 sell and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished
2240 portion of the patron's alcoholic product to the patron's seat in the dining area.

2241 (iii) For purposes of Subsection ~~[(6)]~~ (5)(b)(i) a single portion of wine is 5 ounces or
2242 less.

2243 (c) A limited-service restaurant licensee shall maintain on the licensed premises
2244 adequate culinary facilities for food preparation and dining accommodations.

2245 ~~[(7)]~~ (6) A patron may consume an alcoholic product only if the patron is seated at:

2246 (a) a table that is located in a dining area or a dispensing area;

2247 (b) a counter that is located in a dining area or a dispensing area; or

2248 (c) a dispensing structure located in a dispensing area.

2249 ~~[(8)]~~ (7) (a) Subject to the other provisions of this Subsection ~~[(8)]~~ (7), a patron may
2250 not have more than two alcoholic products of any kind at a time before the patron.

2251 (b) An individual portion of wine is considered to be one alcoholic product under
2252 Subsection ~~[(8)]~~ (7)(a).

2253 ~~[(9)]~~ (8) In accordance with the provisions of this section, an individual who is at least
2254 21 years of age may consume food and beverages in a dispensing area.

2255 ~~[(10)]~~ (9) (a) Except as provided in Subsection ~~[(10)]~~ (9)(b), a minor may not sit,
2256 remain, or consume food or beverages in a dispensing area.

2257 (b) (i) A minor may be in a dispensing area if the minor is ~~[employed by the~~

2258 ~~limited-service restaurant licensee~~]:

2259 [~~(A) in accordance with Subsection 32B-5-308(2); or~~]

2260 (A) at least 16 years of age and working as an employee of the limited-service
2261 restaurant licensee; or

2262 (B) [~~to perform~~] performing maintenance and cleaning services as an employee of the
2263 limited-service restaurant licensee when the limited-service restaurant licensee is not open for
2264 business.

2265 (ii) If there is no alternative route available, a minor may momentarily pass through a
2266 dispensing area without remaining or sitting in the dispensing area en route to an area of the
2267 limited-service restaurant licensee's premises in which the minor is permitted to be.

2268 [~~(H)~~] (10) Except as provided in Subsection 32B-5-307(3), a limited-service restaurant
2269 licensee may dispense an alcoholic product only if:

2270 (a) the alcoholic product is dispensed from:

2271 (i) a dispensing structure that is located in a dispensing area;

2272 (ii) an area that is:

2273 (A) separated from an area for the consumption of food by a patron by a solid,
2274 translucent, permanent structural barrier such that the facilities for the dispensing of an
2275 alcoholic product are not readily visible to a patron and not accessible by a patron; and

2276 (B) apart from an area used for dining, for staging, or as a waiting area; or

2277 (iii) the premises of a bar licensee that is:

2278 (A) owned by the same person or persons as the limited-service restaurant licensee; and

2279 (B) located immediately adjacent to the premises of the limited-service restaurant
2280 licensee; and

2281 (b) any instrument or equipment used to dispense alcoholic product is located in an
2282 area described in Subsection [~~(H)~~] (10)(a).

2283 [~~(I)~~] (11) (a) A limited-service restaurant licensee may have more than one
2284 dispensing area in the licensed premises.

2285 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
2286 dispensing area under Subsection 32B-6-202(2)(a)(i), (ii), or (iii), regardless of how any other
2287 dispensing area in the licensed premises satisfies the requirements for a dispensing area.

2288 [~~(J)~~] (12) A limited-service restaurant licensee may not:

2289 (a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or

2290 (b) display an alcoholic product or a product intended to appear like an alcoholic

2291 product by moving a cart or similar device around the licensed premises.

2292 ~~[(14)]~~ (13) A limited-service restaurant licensee may state in a food or alcoholic

2293 product menu a charge or fee made in connection with the sale, service, or consumption of

2294 wine or heavy beer, including:

2295 (a) a set-up charge;

2296 (b) a service charge; or

2297 (c) a chilling fee.

2298 ~~[(15)]~~ (14) (a) In addition to the requirements described in Section 32B-5-302, a

2299 limited-service restaurant licensee shall maintain each of the following records for at least three

2300 years:

2301 (i) a record required by Section 32B-5-302; and

2302 (ii) a record that the commission requires a limited-service restaurant licensee to use or

2303 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative

2304 Rulemaking Act.

2305 (b) The department shall audit the records of a limited-service restaurant licensee at

2306 least once each calendar year.

2307 ~~[(16)]~~ (15) (a) In accordance with Section 32B-6-305.3, a limited-service restaurant

2308 licensee:

2309 (i) may comply with the provisions of this section beginning on or after July 1, 2017;

2310 and

2311 (ii) shall comply with the provisions of this section:

2312 (A) for a limited-service restaurant licensee that does not have a grandfathered bar

2313 structure, on and after July 1, 2018; or

2314 (B) for a limited-service restaurant licensee that has a grandfathered bar structure, on

2315 and after July 1, 2022.

2316 (b) A limited-service restaurant licensee that elects to comply with the provisions of

2317 this section before the latest applicable date described in Subsection ~~[(16)]~~ (15)(a)(ii):

2318 (i) shall comply with each provision of this section; and

2319 (ii) is not required to comply with the provisions of Section 32B-6-305.

2320 Section 28. Section 32B-6-603 is amended to read:

2321 **32B-6-603. Commission's power to issue on-premise banquet license -- Contracts**
2322 **as host.**

2323 (1) (a) Before a person may store, sell, offer for sale, furnish, or allow the consumption
2324 of an alcoholic product in connection with the person's banquet and room service activities at
2325 one of the following, the person shall first obtain an on-premise banquet license in accordance
2326 with this part:

- 2327 (i) a hotel;
- 2328 (ii) a resort facility;
- 2329 (iii) a sports center; [or]
- 2330 (iv) a convention center[-]; or
- 2331 (v) a performing arts facility.

2332 (b) This part does not prohibit an alcoholic product on the premises of a person listed
2333 in Subsection (1)(a) to the extent otherwise permitted by this title.

2334 (c) This section does not prohibit a person who applies for an on-premise banquet
2335 license to also apply for a package agency if otherwise qualified.

2336 (2) The commission may issue an on-premise banquet license to establish on-premise
2337 banquet licensees in the numbers the commission considers proper for the storage, sale, offer
2338 for sale, furnishing, and consumption of an alcoholic product at a banquet or as part of room
2339 service activities operated by an on-premise banquet licensee.

2340 (3) Subject to Section 32B-1-201, the commission may not issue a total number of
2341 on-premise banquet licenses that at any time exceed the number determined by dividing the
2342 population of the state by 28,765.

2343 (4) Pursuant to a contract between the host of a banquet and an on-premise banquet
2344 licensee:

2345 (a) the host of the banquet may request an on-premise banquet licensee to provide an
2346 alcoholic product served at the banquet; and

2347 (b) an on-premise banquet licensee may provide an alcoholic product served at the
2348 banquet.

2349 (5) At a banquet, an on-premise banquet licensee may furnish an alcoholic product:

2350 (a) without charge to a patron at a banquet, except that the host of the banquet shall pay

2351 for an alcoholic product furnished at the banquet; or

2352 (b) with a charge to a patron at the banquet.

2353 (6) To be licensed as an on-premise banquet, a person shall maintain at least 50% of
2354 the person's total annual banquet gross receipts from the sale of food, which does not include:

2355 (a) mix for an alcoholic product; or

2356 (b) a charge in connection with the furnishing of an alcoholic product.

2357 Section 29. Section **32B-6-605** is amended to read:

2358 **32B-6-605. Specific operational requirements for on-premise banquet license.**

2359 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2360 Requirements, an on-premise banquet licensee and staff of the on-premise banquet licensee
2361 shall comply with this section.

2362 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2363 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2364 (i) an on-premise banquet licensee;

2365 (ii) individual staff of an on-premise banquet licensee; or

2366 (iii) both an on-premise banquet licensee and staff of the on-premise banquet licensee.

2367 (2) An on-premise banquet licensee shall comply with Subsections **32B-5-301**(4) and
2368 (5) for the entire premises of the hotel, resort facility, sports center, ~~or~~ convention center, or
2369 performing arts facility that is the basis for the on-premise banquet license.

2370 (3) (a) For the purpose described in Subsection (3)(b), an on-premise banquet licensee
2371 shall provide the department with advance notice of a scheduled banquet in accordance with
2372 rules made by the commission.

2373 (b) Any of the following may conduct a random inspection of a banquet:

2374 (i) an authorized representative of the commission or the department; or

2375 (ii) a law enforcement officer.

2376 (4) (a) An on-premise banquet licensee is not subject to Section **32B-5-302**, but shall
2377 make and maintain the records the commission or department requires.

2378 (b) Section **32B-1-205** applies to a record required to be made or maintained in
2379 accordance with this Subsection (4).

2380 (5) (a) Except as otherwise provided in this title, an on-premise banquet licensee may
2381 sell, offer for sale, or furnish an alcoholic product at a banquet only for consumption at the

2382 location of the banquet.

2383 (b) Except as provided in Subsection 32B-5-307(4), a host of a banquet, a patron, or a
2384 person other than the on-premise banquet licensee or staff of the on-premise banquet licensee,
2385 may not remove an alcoholic product from the premises of the banquet.

2386 (c) Notwithstanding Subsection 32B-5-307(3) and except as provided in Subsection
2387 32B-5-307(4), a patron at a banquet may not bring an alcoholic product into or onto, or remove
2388 an alcoholic product from, the premises of a banquet.

2389 (6) (a) An on-premise banquet licensee may not leave an unsold alcoholic product at
2390 the banquet following the conclusion of the banquet.

2391 (b) At the conclusion of a banquet, an on-premise banquet licensee shall:

2392 (i) destroy an opened and unused alcoholic product that is not saleable, under
2393 conditions established by the department; and

2394 (ii) return to the on-premise banquet licensee's approved locked storage area any:

2395 (A) opened and unused alcoholic product that is saleable; and

2396 (B) unopened container of an alcoholic product.

2397 (c) Except as provided in Subsection (6)(b) with regard to an open or sealed container
2398 of an alcoholic product not sold or consumed at a banquet, an on-premise banquet licensee:

2399 (i) shall store the alcoholic product in the on-premise banquet licensee's approved
2400 locked storage area; and

2401 (ii) may use the alcoholic product at more than one banquet.

2402 (7) Notwithstanding Section 32B-5-308, an on-premise banquet licensee may not
2403 employ a minor to sell, furnish, or dispense an alcoholic product in connection with the
2404 on-premise banquet licensee's banquet and room service activities.

2405 (8) An on-premise banquet licensee:

2406 (a) may provide room service in portions described in Section 32B-5-304; and

2407 (b) may not sell, offer for sale, or furnish an alcoholic product at a banquet or in
2408 connection with room service any day during a period that:

2409 ~~(a)~~ (i) begins at 1 a.m.; and

2410 ~~(b)~~ (ii) ends at 9:59 a.m.

2411 ~~(9) An on-premise banquet licensee shall maintain at least 50% of its total annual~~
2412 ~~banquet gross receipts from the sale of food, not including:]~~

2413 ~~[(a) mix for an alcoholic product, and]~~

2414 ~~[(b) a charge in connection with the furnishing of an alcoholic product.]~~

2415 ~~[(10)]~~ (9) (a) Subject to the other provisions of this Subsection ~~[(10)]~~ (9), a patron may
2416 not have more than two alcoholic products of any kind at a time before the patron.

2417 (b) A patron may not have more than one spirituous liquor drink at a time before the
2418 patron.

2419 (c) An individual portion of wine is considered to be one alcoholic product under
2420 Subsection ~~[(10)]~~ (9)(a).

2421 ~~[(11)]~~ (10) (a) An on-premise banquet licensee shall supervise and direct a person
2422 involved in the sale, offer for sale, or furnishing of an alcoholic product.

2423 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
2424 shall complete an alcohol training and education seminar.

2425 ~~[(12)]~~ (11) A staff person of an on-premise banquet licensee shall remain at the
2426 banquet at all times when an alcoholic product is sold, offered for sale, furnished, or consumed
2427 at the banquet.

2428 ~~[(13)]~~ (12) (a) Room service of an alcoholic product to a guest room of a hotel or resort
2429 facility shall be provided in person by staff of an on-premise banquet licensee only to an adult
2430 guest in the guest room.

2431 (b) An alcoholic product may not be left outside a guest room for retrieval by a guest.

2432 (13) An on-premise banquet licensee may not maintain a minibar.

2433 Section 30. Section **32B-6-702** is amended to read:

2434 **32B-6-702. Definitions.**

2435 As used in this part, "recreational amenity" ~~[is defined by the commission by rule made~~
2436 ~~in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act. A rule made~~
2437 ~~under this section shall define "recreational amenity" to be one or more of the following or an~~
2438 ~~activity substantially similar to one of the following]~~ means:

2439 (1) a billiard parlor;

2440 (2) a pool parlor;

2441 (3) a bowling facility;

2442 (4) a golf course;

2443 (5) miniature golf;

- 2444 (6) a golf driving range;
- 2445 (7) a tennis club;
- 2446 (8) a sports facility that hosts professional sporting events and has a seating capacity
- 2447 equal to or greater than 6,500;
- 2448 (9) a concert venue that has a seating capacity equal to or greater than 6,500;
- 2449 (10) one of the following if owned by a government agency:
- 2450 (a) a convention center;
- 2451 (b) a fair facility;
- 2452 (c) an equestrian park;
- 2453 (d) a theater; or
- 2454 (e) a concert venue;
- 2455 (11) an amusement park:
- 2456 (a) with one or more permanent amusement rides; and
- 2457 (b) located on at least 50 acres;
- 2458 (12) a ski resort;
- 2459 (13) a venue for live entertainment if the venue:
- 2460 (a) is not regularly open for more than five hours on any day;
- 2461 (b) is operated so that food is available whenever beer is sold, offered for sale, or
- 2462 furnished at the venue; and
- 2463 (c) is operated so that no more than 15% of its total annual receipts are from the sale of
- 2464 beer; or
- 2465 (14) concessions operated within the boundary of a park administered by the:
- 2466 (a) Division of Parks and Recreation; or
- 2467 (b) National Parks Service.

2468 Section 31. Section **32B-6-703** is amended to read:

2469 **32B-6-703. Commission's power to issue on-premise beer retailer license.**

2470 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of

2471 beer on the premises as an on-premise beer retailer, the person shall first obtain an on-premise

2472 beer retailer license from the commission in accordance with this part.

2473 (2) (a) The commission may issue an on-premise beer retailer license to establish

2474 on-premise beer retailer licensed premises at places and in numbers as the commission

2475 considers proper for the storage, sale, offer for sale, furnishing, and consumption of beer on
2476 premises operated as an on-premise beer retailer.

2477 (b) At the time that the commission issues an on-premise beer retailer license, the
2478 commission shall designate whether the on-premise beer retailer is a tavern.

2479 (c) The commission may change its designation of whether an on-premise beer retailer
2480 is a tavern in accordance with rules made by the commission.

2481 (d) (i) In determining whether an on-premise beer retailer is a tavern, the commission
2482 shall determine whether the on-premise beer retailer will engage primarily in the retail sale of
2483 beer for consumption on the establishment's premises.

2484 (ii) In making a determination under this Subsection (2)(d), the commission shall
2485 consider:

2486 (A) whether the on-premise beer retailer will operate as one of the following:

2487 (I) a beer bar;

2488 (II) a parlor;

2489 (III) a lounge;

2490 (IV) a cabaret; or

2491 (V) a nightclub;

2492 (B) if the on-premise beer retailer will operate as described in Subsection (2)(d)(ii)(A):

2493 (I) whether the on-premise beer retailer will sell food in the establishment; and

2494 (II) if the on-premise beer retailer sells food, whether the revenue from the sale of beer
2495 will exceed the revenue of the sale of food;

2496 (C) whether full meals including appetizers, main courses, and desserts will be served;

2497 (D) the square footage and seating capacity of the premises;

2498 (E) what portion of the square footage and seating capacity will be used for a dining
2499 area in comparison to the portion that will be used as a lounge or bar area;

2500 (F) whether the person will maintain adequate on-premise culinary facilities to prepare
2501 full meals, except a person that is located on the premises of a hotel or resort facility may use
2502 the culinary facilities of the hotel or resort facility;

2503 (G) whether the entertainment provided on the premises of the beer retailer will be
2504 suitable for minors; and

2505 (H) the beer retailer management's ability to manage and operate an on-premise beer

2506 retailer license including:

2507 (I) management experience;

2508 (II) past beer retailer management experience; and

2509 (III) the type of management scheme that will be used by the beer retailer.

2510 (e) On or after March 1, 2012:

2511 (i) To be licensed as an on-premise beer retailer that is not a tavern, a person shall:

2512 (A) maintain at least 70% of the person's total gross revenues from business directly

2513 related to a recreational amenity on or directly adjoining the licensed premises of the beer

2514 retailer, except that a person may include gross revenue from business directly related to a

2515 recreational amenity that is owned or operated by a political subdivision if the person has a

2516 contract meeting the requirements of Subsection (2)(e)(iv) with the political subdivision; or

2517 (B) have a recreational amenity on or directly adjoining the licensed premises of the

2518 beer retailer and maintain at least 70% of the person's total gross revenues from the sale of

2519 food.

2520 (ii) The commission may not license a person as an on-premise beer retailer if the

2521 person does not:

2522 (A) meet the requirements of Subsection (2)(e)(i); or

2523 (B) operate as a tavern.

2524 (iii) A person who, after August 1, 2011, applies for an on-premise beer retailer license

2525 that is not a tavern and does not meet the requirements of Subsection (2)(e)(i), may not have or

2526 construct facilities for the dispensing or storage of an alcoholic product that do not meet the

2527 requirements of Subsection [32B-6-905](#)~~[(12)]~~(11)(a)(ii).

2528 (iv) A contract described in Subsection (2)(e)(i)(A) shall:

2529 (A) allow the beer retailer to include the total gross revenue from operations of the

2530 recreational amenity in the beer retailer's total gross receipts for purposes of Subsection

2531 (2)(e)(i)(A); and

2532 (B) give the department the authority to audit financial information of the political

2533 subdivision to the extent necessary to confirm that the requirements of Subsection (2)(e)(i)(A)

2534 are met.

2535 (3) Subject to Section [32B-1-201](#):

2536 (a) The commission may not issue a total number of on-premise beer retailer licenses

2537 that are taverns that at any time exceeds the number determined by dividing the population of
2538 the state by 73,666.

2539 (b) The commission may issue a seasonal on-premise beer retailer license for a tavern
2540 in accordance with Section [32B-5-206](#).

2541 (4) (a) Unless otherwise provided in Subsection (4)(b):

2542 (i) only one on-premise beer retailer license is required for each building or resort
2543 facility owned or leased by the same person; and

2544 (ii) a separate license is not required for each retail beer dispensing location in the
2545 same building or on the same resort premises owned or operated by the same person.

2546 (b) (i) Subsection (4)(a) applies only if each retail beer dispensing location in the
2547 building or resort facility operates in the same manner.

2548 (ii) If each retail beer dispensing location does not operate in the same manner:

2549 (A) one on-premise beer retailer license designated as a tavern is required for the
2550 locations in the same building or on the same resort premises that operate as a tavern; and

2551 (B) one on-premise beer retailer license is required for the locations in the same
2552 building or on the same resort premises that do not operate as a tavern.

2553 Section 32. Section **32B-6-803** is amended to read:

2554 **32B-6-803. Commission's power to issue reception center license.**

2555 (1) Before a person may store, sell, offer for sale, or furnish an alcoholic product on its
2556 premises as a reception center, the person shall first obtain a reception center license from the
2557 commission in accordance with this part.

2558 (2) The commission may issue a reception center license to establish reception center
2559 licensed premises at places and in numbers the commission considers proper for the storage,
2560 sale, offer for sale, furnishing, and consumption of an alcoholic product on premises operated
2561 as a reception center.

2562 (3) Subject to Section [32B-1-201](#), the commission may not issue a total number of
2563 reception center licenses that at any time exceeds the number determined by dividing the
2564 population of the state by 251,693.

2565 (4) The commission may not issue a reception center license for premises that do not
2566 meet the proximity requirements of Section [32B-1-202](#).

2567 (5) (a) To be licensed as a reception center, a person may not maintain in excess of

2568 30% of its total annual receipts from the sale of an alcoholic product, which includes:

2569 (i) mix for an alcoholic product; or

2570 (ii) a charge in connection with the furnishing of an alcoholic product.

2571 (b) A reception center licensee shall report the information necessary to show

2572 compliance with this Subsection (5) to the department on an annual basis.

2573 Section 33. Section **32B-6-805** is amended to read:

2574 **32B-6-805. Specific operational requirements for a reception center license.**

2575 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2576 Requirements, a reception center licensee and staff of the reception center licensee shall
2577 comply with this section.

2578 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2579 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2580 (i) a reception center licensee;

2581 (ii) individual staff of a reception center licensee; or

2582 (iii) both a reception center licensee and staff of the reception center licensee.

2583 (2) In addition to complying with Section **32B-5-303**, a reception center licensee shall
2584 store an alcoholic product in a storage area described in Subsection [~~(15)~~] (14)(a).

2585 (3) (a) For the purpose described in Subsection (3)(b), a reception center licensee shall
2586 provide the following with advance notice of a scheduled event in accordance with rules made
2587 by the commission:

2588 (i) the department; and

2589 (ii) the local law enforcement agency responsible for the enforcement of this title in the
2590 jurisdiction where the reception center is located.

2591 (b) Any of the following may conduct a random inspection of an event:

2592 (i) an authorized representative of the commission or the department; or

2593 (ii) a law enforcement officer.

2594 (4) (a) Except as otherwise provided in this title, a reception center licensee may sell,
2595 offer for sale, or furnish an alcoholic product at an event only for consumption at the reception
2596 center's licensed premises.

2597 (b) A host of an event, a patron, or a person other than the reception center licensee or
2598 staff of the reception center licensee, may not remove an alcoholic product from the reception

2599 center's licensed premises.

2600 (c) Notwithstanding Section [32B-5-307](#), a patron at an event may not bring an
2601 alcoholic product into or onto, or remove an alcoholic product from, the reception center.

2602 (5) (a) A reception center licensee may not leave an unsold alcoholic product at an
2603 event following the conclusion of the event.

2604 (b) At the conclusion of an event, a reception center licensee shall:

2605 (i) destroy an opened and unused alcoholic product that is not saleable, under
2606 conditions established by the department; and

2607 (ii) return to the reception center licensee's approved locked storage area any:

2608 (A) opened and unused alcoholic product that is saleable; and

2609 (B) unopened container of an alcoholic product.

2610 (c) Except as provided in Subsection (5)(b) with regard to an open or sealed container
2611 of an alcoholic product not sold or consumed at an event, a reception center licensee:

2612 (i) shall store the alcoholic product in accordance with Subsection (2); and

2613 (ii) may use the alcoholic product at more than one event.

2614 (6) Notwithstanding Section [32B-5-308](#), a reception center licensee may not employ a
2615 minor in connection with an event at the reception center at which food is not made available.

2616 (7) A person's willingness to serve an alcoholic product may not be made a condition
2617 of employment as a server with a reception center licensee.

2618 (8) A reception center licensee may not sell, offer for sale, or furnish an alcoholic
2619 product at the licensed premises on any day during the period that:

2620 (a) begins at 1 a.m.; and

2621 (b) ends at 9:59 a.m.

2622 [~~(9) (a) A reception center licensee may not maintain in excess of 30% of its total
2623 annual receipts from the sale of an alcoholic product, which includes:]~~

2624 [~~(i) mix for an alcoholic product; or]~~

2625 [~~(ii) a charge in connection with the furnishing of an alcoholic product.]~~

2626 [~~(b) A reception center licensee shall report the information necessary to show
2627 compliance with this Subsection (9) to the department on an annual basis.]~~

2628 [~~(10)~~] (9) A reception center licensee may not sell, offer for sale, or furnish an
2629 alcoholic product at an event at which a minor is present unless the reception center licensee

2630 makes food available at all times when an alcoholic product is sold, offered for sale, furnished,
2631 or consumed during the event.

2632 ~~[(11)]~~ (10) (a) Subject to the other provisions of this Subsection ~~[(11)]~~ (10), a patron
2633 may not have more than two alcoholic products of any kind at a time before the patron.

2634 (b) An individual portion of wine is considered to be one alcoholic product under
2635 Subsection ~~[(11)]~~ (10)(a).

2636 ~~[(12)]~~ (11) (a) A reception center licensee shall supervise and direct a person involved
2637 in the sale, offer for sale, or furnishing of an alcoholic product.

2638 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
2639 shall complete an alcohol training and education seminar.

2640 ~~[(13)]~~ (12) A staff person of a reception center licensee shall remain at an event at all
2641 times when an alcoholic product is sold, offered for sale, furnished, or consumed at the event.

2642 ~~[(14)]~~ (13) A reception center licensee may not sell, offer for sale, or furnish an
2643 alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar
2644 structure.

2645 ~~[(15)]~~ (14) Except as provided in Subsection ~~[(16)]~~ (15), a reception center licensee
2646 may dispense an alcoholic product only if:

2647 (a) the alcoholic product is dispensed from an area that is:

2648 (i) separated from an area for the consumption of food by a patron by a solid,
2649 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
2650 an alcoholic product are:

2651 (A) not readily visible to a patron; and

2652 (B) not accessible by a patron; and

2653 (ii) apart from an area used:

2654 (A) for staging; or

2655 (B) as a lobby or waiting area;

2656 (b) the reception center licensee uses an alcoholic product that is:

2657 (i) stored in an area described in Subsection ~~[(15)]~~ (14)(a); or

2658 (ii) in an area not described in Subsection ~~[(15)]~~ (14)(a) on the licensed premises and:

2659 (A) immediately before the alcoholic product is dispensed it is in an unopened

2660 container;

2661 (B) the unopened container is taken to an area described in Subsection [~~(15)~~] (14)(a)
2662 before it is opened; and

2663 (C) once opened, the container is stored in an area described in Subsection [~~(15)~~]
2664 (14)(a); and

2665 (c) any instrument or equipment used to dispense an alcoholic product is located in an
2666 area described in Subsection [~~(15)~~] (14)(a).

2667 [~~(16)~~] (15) A reception center licensee may dispense an alcoholic product from a
2668 mobile serving area that:

2669 (a) is moved only by staff of the reception center licensee;

2670 (b) is capable of being moved by only one individual; and

2671 (c) is no larger than 6 feet long and 30 inches wide.

2672 [~~(17)~~] (16) (a) A reception center licensee may not have an event on the licensed
2673 premises except pursuant to a contract between a third party host of the event and the reception
2674 center licensee under which the reception center licensee provides an alcoholic product sold,
2675 offered for sale, or furnished at an event.

2676 (b) At an event, a reception center licensee may furnish an alcoholic product:

2677 (i) without charge to a patron, except that the third party host of the event shall pay for
2678 an alcoholic product furnished at the event; or

2679 (ii) with a charge to a patron at the event.

2680 (c) The commission may by rule define what constitutes a "third-party host" for
2681 purposes of this Subsection [~~(17)~~] (16) so that a reception center licensee and the third-party
2682 host are not owned by or operated by the same persons, except that the rule shall permit a
2683 reception center licensee to host an event for an immediate family member of the reception
2684 center licensee.

2685 [~~(18)~~] (17) A reception center licensee shall have culinary facilities that are:

2686 (a) adequate to prepare a full meal; and

2687 (b) (i) located on the licensed premises; or

2688 (ii) under the same control as the reception center licensee.

2689 [~~(19)~~] (18) (a) Except as provided in Subsection [~~(19)~~] (18)(b), a reception center
2690 licensee may not operate an event:

2691 (i) that is open to the general public; and

2692 (ii) at which an alcoholic product is sold or offered for sale.

2693 (b) A reception center licensee may operate an event described in Subsection [(+9)]

2694 (18)(a) if the event is hosted:

2695 (i) at the reception center no more frequently than once a calendar year; and

2696 (ii) by a nonprofit organization that is organized and qualified under Section 501(c),
2697 Internal Revenue Code.

2698 Section 34. Section **32B-6-902** is amended to read:

2699 **32B-6-902. Definitions.**

2700 (1) As used in this part:

2701 (a) (i) "Dining area" means an area in the licensed premises of a beer-only restaurant
2702 licensee that is primarily used for the service and consumption of food by one or more patrons.

2703 (ii) "Dining area" does not include a dispensing area.

2704 (b) (i) "Dispensing area" means an area in the licensed premises of a beer-only
2705 restaurant licensee where a dispensing structure is located and that:

2706 (A) is physically separated from the dining area and any waiting area by a structure or
2707 other barrier that prevents a patron seated in the dining area or a waiting area from viewing the
2708 dispensing of beer;

2709 (B) except as provided in Subsection (1)(b)(ii), measures at least 10 feet from the
2710 dining area and any waiting area to the nearest edge of the dispensing structure; or

2711 (C) is physically separated from the dining area and any waiting area by a permanent
2712 physical structure that complies with the provisions of Title 15A, State Construction and Fire
2713 Codes Act, and, to the extent allowed under Title 15A, State Construction and Fire Codes Act,
2714 measures at least 42 inches high, and at least 60 inches from the inside edge of the barrier to
2715 the nearest edge of the dispensing structure.

2716 (ii) "Dispensing area" does not include any area described in Subsection (1)(b)(i)(B)
2717 that is less than 10 feet from an area where beer is dispensed, but from which a patron seated at
2718 a table or counter cannot view the dispensing of beer.

2719 (c) "Grandfathered bar structure" means a bar structure in a licensed premises of a
2720 beer-only restaurant licensee that:

2721 (i) was licensed as an on-premise beer retailer as of August 1, 2011, and as of August
2722 1, 2011:

- 2723 (A) is operational;
- 2724 (B) has facilities for the dispensing or storage of an alcoholic product that do not meet
2725 the requirements of Subsection 32B-6-905[~~(12)~~](11)(a)(ii); and
- 2726 (C) in accordance with Subsection 32B-6-703(2)(e), notifies the department that
2727 effective March 1, 2012, the on-premise beer retailer licensee will seek to be licensed as a
2728 beer-only restaurant; or
- 2729 (ii) is a bar structure grandfathered under Section 32B-6-409.
- 2730 (d) "Grandfathered bar structure" does not include a grandfathered bar structure
2731 described in Subsection (1)(a) on or after the day on which a restaurant remodels the
2732 grandfathered bar structure, as defined by rule made by the commission.
- 2733 (e) "Small beer-only restaurant licensee" means a beer-only restaurant licensee that has
2734 a grandfathered bar structure whose dispensing area includes more than 45% of the available
2735 seating for patrons on the licensed premises, excluding outdoor seating:
- 2736 (i) when measured in accordance with Subsection (1)(b)(i)(B); and
2737 (ii) based on the licensee's floor plan on file with the department on July 1, 2017.
- 2738 (f) "Waiting area" includes a lobby.
- 2739 (2) Subject to Subsection (1)(d), a grandfathered bar structure remains a grandfathered
2740 bar structure notwithstanding whether a restaurant undergoes a change of ownership.
- 2741 Section 35. Section 32B-6-903 is amended to read:
- 2742 **32B-6-903. Commission's power to issue beer-only restaurant license.**
- 2743 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
2744 beer on its premises as a beer-only restaurant, the person shall first obtain a beer-only
2745 restaurant license from the commission in accordance with this part.
- 2746 (2) (a) The commission may issue a beer-only restaurant license to establish beer-only
2747 restaurant licensed premises at places and in numbers the commission considers proper for the
2748 storage, sale, offer for sale, furnishing, and consumption of beer on premises operated as a
2749 beer-only restaurant.
- 2750 (b) A person may not sell, offer for sale, furnish, or allow the consumption of liquor on
2751 the licensed premises of a beer-only restaurant licensee.
- 2752 (3) (a) Only one beer-only restaurant license is required for each building or resort
2753 facility owned or leased by the same person.

2754 (b) A separate license is not required for each beer-only restaurant license dispensing
2755 location in the same building or on the same resort premises owned or operated by the same
2756 person.

2757 (4) Except as otherwise provided in Section 32B-1-202, the commission may not issue
2758 a beer-only restaurant license for premises that do not meet the proximity requirements of
2759 Subsection 32B-1-202(2).

2760 (5) To be licensed as a beer-only restaurant, a person shall maintain at least 70% of the
2761 restaurant's gross revenues from the sale of food, which does not include a service charge.

2762 Section 36. Section 32B-6-905 is amended to read:

2763 **32B-6-905. Specific operational requirements for a beer-only restaurant license --**
2764 **Before July 1, 2018, or July 1, 2022.**

2765 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2766 Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
2767 shall comply with this section.

2768 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2769 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

- 2770 (i) a beer-only restaurant licensee;
- 2771 (ii) individual staff of a beer-only restaurant licensee; or
- 2772 (iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.

2773 (2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
2774 sale, furnish, or allow consumption of liquor.

2775 (b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:

- 2776 (i) as a flavoring on a dessert; and
- 2777 (ii) in the preparation of a flaming food dish, drink, or dessert.

2778 (3) In addition to complying with Section 32B-5-303, a beer-only restaurant licensee
2779 shall store beer in a storage area described in Subsection [~~(12)~~] (11)(a).

2780 (4) (a) An individual who serves beer in a beer-only restaurant licensee's premises shall
2781 make a written beverage tab for each table or group that orders or consumes an alcoholic
2782 product on the premises.

2783 (b) A beverage tab required by this Subsection (4) shall list the type and amount of
2784 beer ordered or consumed.

2785 (5) A person's willingness to serve beer may not be made a condition of employment as
2786 a server with a beer-only restaurant licensee.

2787 (6) A beer-only restaurant licensee may sell, offer for sale, or furnish beer at the
2788 licensed premises during the following time periods only:

2789 (a) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2790 (b) on a weekend or a state or federal legal holiday or for a private event, during the
2791 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2792 ~~[(7) A beer-only restaurant licensee shall maintain at least 70% of its total restaurant
2793 business from the sale of food, which does not include a service charge.]~~

2794 ~~[(8)]~~ (7) (a) A beer-only restaurant may not sell, offer for sale, or furnish beer except
2795 after the beer-only restaurant licensee confirms that the patron has the intent to order food
2796 prepared, sold, and furnished at the licensed premises.

2797 (b) A beer-only restaurant shall maintain on the licensed premises adequate culinary
2798 facilities for food preparation and dining accommodations.

2799 ~~[(9)]~~ (8) A patron may not have more than two beers at a time before the patron.

2800 ~~[(10)]~~ (9) A patron may consume a beer only:

2801 (a) at:

2802 (i) the patron's table;

2803 (ii) a grandfathered bar structure; or

2804 (iii) a counter; and

2805 (b) where food is served.

2806 ~~[(11)]~~ (10) (a) A beer-only restaurant licensee may not sell, offer for sale, or furnish a
2807 beer to a patron, and a patron may not consume an alcoholic product at a bar structure.

2808 (b) Notwithstanding Subsection ~~[(11)]~~ (10)(a), at a grandfathered bar structure, a
2809 patron who is 21 years of age or older may:

2810 (i) sit;

2811 (ii) be furnished a beer; and

2812 (iii) consume a beer.

2813 (c) Except as provided in Subsection ~~[(11)]~~ (10)(d), at a grandfathered bar structure, a
2814 beer-only restaurant licensee may not permit a minor to, and a minor may not:

2815 (i) sit; or

- 2816 (ii) consume food or beverages.
- 2817 (d) (i) A minor may be at a grandfathered bar structure if the minor is employed by a
- 2818 beer-only restaurant licensee:
- 2819 (A) as provided in Subsection ~~32B-5-308~~(2); or
- 2820 (B) to perform maintenance and cleaning services during an hour when the beer-only
- 2821 restaurant licensee is not open for business.
- 2822 (ii) A minor may momentarily pass by a grandfathered bar structure without
- 2823 remaining or sitting at the bar structure en route to an area of a beer-only restaurant licensee's
- 2824 premises in which the minor is permitted to be.
- 2825 ~~[(12)]~~ (11) A beer-only restaurant licensee may dispense a beer only if:
- 2826 (a) the beer is dispensed from an area that is:
- 2827 (i) a grandfathered bar structure; or
- 2828 (ii) separated from an area for the consumption of food by a patron by a solid,
- 2829 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
- 2830 an alcoholic product are not readily visible to a patron, not accessible by a patron, and apart
- 2831 from an area used for dining, for staging, or as a lobby or waiting area;
- 2832 (b) the beer-only restaurant licensee uses a beer that is:
- 2833 (i) stored in an area described in Subsection ~~[(12)]~~ (11)(a); or
- 2834 (ii) in an area not described in Subsection ~~[(12)]~~ (11)(a) on the licensed premises and:
- 2835 (A) immediately before the beer is dispensed it is in an unopened container;
- 2836 (B) the unopened container is taken to an area described in Subsection ~~[(12)]~~ (11)(a)
- 2837 before it is opened; and
- 2838 (C) once opened, the container is stored in an area described in Subsection ~~[(12)]~~
- 2839 (11)(a); and
- 2840 (c) any instrument or equipment used to dispense the beer is located in an area
- 2841 described in Subsection ~~[(12)]~~ (11)(a).
- 2842 ~~[(13)]~~ (12) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
- 2843 beverages within 10 feet of a grandfathered bar structure, unless:
- 2844 (a) seating within 10 feet of the grandfathered bar structure is the only seating available
- 2845 in the licensed premises; and
- 2846 (b) the minor is accompanied by an individual who is 21 years of age or older.

2847 [(14)] (13) Except as provided in Subsection 32B-6-905.1[(16)](15) and Section
2848 32B-6-905.2, the provisions of this section apply before July 1, 2018.

2849 Section 37. Section 32B-6-905.1 is amended to read:

2850 **32B-6-905.1. Specific operational requirements for a beer-only restaurant license**
2851 **-- On and after July 1, 2018, or July 1, 2022.**

2852 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2853 Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
2854 shall comply with this section.

2855 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
2856 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2857 (i) a beer-only restaurant licensee;

2858 (ii) individual staff of a beer-only restaurant licensee; or

2859 (iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.

2860 (2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
2861 sale, furnish, or allow consumption of liquor.

2862 (b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:

2863 (i) as a flavoring on a dessert; or

2864 (ii) in the preparation of a flaming food dish, drink, or dessert.

2865 (3) (a) An individual who serves beer in a beer-only restaurant licensee's premises shall
2866 make a beverage tab for each table or group that orders or consumes beer on the premises.

2867 (b) A beverage tab described in this Subsection (3) shall state the type and amount of
2868 each beer ordered or consumed.

2869 (4) A beer-only restaurant licensee may not make an individual's willingness to serve
2870 beer a condition of employment as a server with a beer-only restaurant licensee.

2871 (5) A beer-only restaurant licensee may sell, offer for sale, or furnish beer at the
2872 licensed premises during the following time periods only:

2873 (a) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2874 (b) on a weekend or a state or federal legal holiday or for a private event, during the
2875 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2876 ~~[(6) A beer-only restaurant licensee shall maintain at least 70% of the beer-only~~
2877 ~~restaurant licensee's total restaurant business from the sale of food, which does not include a~~

2878 ~~service charge.]~~

2879 [~~(7)~~] (6) (a) A beer-only restaurant licensee may not furnish beer except after:

2880 (i) the patron to whom the beer-only restaurant licensee furnishes the beer is seated at:

2881 (A) a table that is located in a dining area or a dispensing area;

2882 (B) a counter that is located in a dining area or a dispensing area; or

2883 (C) a dispensing structure that is located in a dispensing area; and

2884 (ii) the beer-only restaurant licensee confirms that the patron intends to:

2885 (A) order food prepared, sold, and furnished at the licensed premises; and

2886 (B) except as provided in Subsection [~~(7)~~] (6)(b), consume the food at the same

2887 location where the patron is seated and furnished the beer.

2888 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a

2889 beer-only restaurant licensee, the beer-only restaurant licensee may sell, offer for sale, or

2890 furnish to the patron one portion of beer as described in Section [32B-5-304](#) if:

2891 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing
2892 structure; and

2893 (B) the beer-only restaurant licensee first confirms that after the patron is seated in the
2894 dining area, the patron intends to order food prepared, sold, and furnished at the licensed
2895 premises.

2896 (ii) If the patron does not finish the patron's beer before moving to a seat in the dining
2897 area, an employee of the beer-only restaurant licensee who is qualified to sell and serve an
2898 alcoholic product under Section [32B-5-306](#) shall transport any unfinished portion of the
2899 patron's beer to the patron's seat in the dining area.

2900 (c) A beer-only restaurant licensee shall maintain on the licensed premises adequate
2901 culinary facilities for food preparation and dining accommodations.

2902 [~~(8)~~] (7) A patron may consume a beer only at:

2903 (a) a table that is located in a dining area or a dispensing area;

2904 (b) a counter that is located in a dining area or a dispensing area; or

2905 (c) a dispensing structure located in a dispensing area.

2906 [~~(9)~~] (8) A patron may not have more than two beers at a time before the patron.

2907 [~~(10)~~] (9) In accordance with the provisions of this section, an individual who is at
2908 least 21 years of age may consume food and beverages in a dispensing area.

2909 ~~[(11)]~~ (10) (a) Except as provided in Subsection ~~[(11)]~~ (10)(b), a minor may not sit,
2910 remain, or consume food or beverages in a dispensing area.

2911 (b) (i) A minor may be in a dispensing area if the minor is ~~[employed by the beer-only~~
2912 ~~restaurant licensee]~~:

2913 ~~[(A) in accordance with Subsection 32B-5-308(2); or]~~

2914 (A) at least 16 years of age and working as an employee of the beer-only restaurant
2915 licensee; or

2916 (B) ~~[to perform]~~ performing maintenance and cleaning services as an employee of the
2917 beer-only restaurant licensee when the beer-only restaurant licensee is not open for business.

2918 (ii) If there is no alternative route available, a minor may momentarily pass through a
2919 dispensing area without remaining or sitting in the dispensing area en route to an area of the
2920 beer-only restaurant licensee's premises in which the minor is permitted to be.

2921 ~~[(12)]~~ (11) A beer-only restaurant licensee may dispense a beer only if:

2922 (a) the beer is dispensed from:

2923 (i) a dispensing structure that is located in a dispensing area;

2924 (ii) an area that is:

2925 (A) separated from an area for the consumption of food by a patron by a solid,
2926 translucent, permanent structural barrier such that the facilities for the dispensing of an
2927 alcoholic product are not readily visible to a patron and not accessible by a patron; and

2928 (B) apart from an area used for dining, for staging, or as a waiting area; or

2929 (iii) the premises of a bar licensee that is:

2930 (A) owned by the same person or persons as the beer-only restaurant licensee; and

2931 (B) located immediately adjacent to the premises of the beer-only restaurant licensee;

2932 and

2933 (b) any instrument or equipment used to dispense the beer is located in an area
2934 described in Subsection ~~[(12)]~~ (11)(a).

2935 ~~[(13)]~~ (12) (a) A beer-only restaurant licensee may have more than one dispensing area
2936 in the licensed premises.

2937 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
2938 dispensing area under Subsection 32B-6-902(1)(b)(i)(A), (B), or (C), regardless of how any
2939 other dispensing area in the licensed premises satisfies the requirements for a dispensing area.

2940 ~~[(14)]~~ (13) A beer-only restaurant licensee may not transfer, dispense, or serve beer on
2941 or from a movable cart.

2942 ~~[(15)]~~ (14) (a) In addition to the requirements described in Section 32B-5-302, a
2943 beer-only restaurant licensee shall maintain each of the following records for at least three
2944 years:

2945 (i) a record required by Section 32B-5-302; and

2946 (ii) a record that the commission requires a beer-only restaurant licensee to use or
2947 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2948 Rulemaking Act.

2949 (b) The department shall audit the records of a beer-only restaurant licensee at least
2950 once each calendar year.

2951 ~~[(16)]~~ (15) (a) In accordance with Section 32B-6-905.2, a beer-only restaurant licensee:

2952 (i) may comply with the provisions of this section beginning on or after July 1, 2017;
2953 and

2954 (ii) shall comply with the provisions of this section:

2955 (A) for a beer-only restaurant licensee that does not have a grandfathered bar structure,
2956 on and after July 1, 2018; or

2957 (B) for a beer-only restaurant licensee that has a grandfathered bar structure, on and
2958 after July 1, 2022.

2959 (b) A beer-only restaurant licensee that elects to comply with the provisions of this
2960 section before the latest applicable date described in Subsection ~~[(16)]~~ (15)(a)(ii):

2961 (i) shall comply with each provision of this section; and

2962 (ii) is not required to comply with the provisions of Section 32B-6-905.

2962a **§→ Section 38. Section 32B-7-202 is amended to read:**

2962b **32B-7-202. General operational requirements for off-premise beer retailer.**

2962c **(1) (a) An off-premise beer retailer or staff of the off-premise beer retailer shall comply with**
2962d **the provisions of this title and any applicable rules made by the commission.**

2962e **(b) Failure to comply with this section may result in a suspension or revocation of a local**
2962f **license and, on or after July 1, 2018, disciplinary action in accordance with Chapter 3, Disciplinary**
2962g **Actions and Enforcement Act.**

2962h **(2) (a) (i) An off-premise beer retailer may not purchase, acquire, possess for the purpose of**
2962i **resale, or sell beer, except beer that the off-premise beer retailer lawfully purchases from:**

2962j **(A) a beer wholesaler licensee; or**

2962k **(B) a small brewer that manufactures the beer.**

2962l **(ii) A violation of Subsection (2)(a) is a class A misdemeanor.☹**

2962m ☛ (b) (i) If an off-premise beer retailer purchases beer under this Subsection (2) from a beer
 2962n wholesaler licensee, the off-premise beer retailer shall purchase beer only from a beer wholesaler
 2962o licensee who is designated by the manufacturer to sell beer in the geographical area in which the
 2962p off-premise beer retailer is located, unless an alternate wholesaler is authorized by the department to
 2962q sell to the off-premise beer retailer as provided in Section 32B-13-301.

2962r (ii) A violation of Subsection (2)(b) is a class B misdemeanor.

2962s (3) An off-premise beer retailer may not possess, sell, offer for sale, or furnish beer in a
 2962t container larger than two liters.

2962u (4) (a) Staff of an off-premise beer retailer, while on duty, may not:

2962v (i) consume an alcoholic product; or

2962w (ii) be intoxicated.

2962x (b) A minor may not sell beer on the licensed premises of an off-premise beer retailer unless:

2962y (i) the sale is done under the supervision of a person 21 years of age or older who is on the

2962z licensed premises; and

2962aa (ii) the minor is at least 16 years of age.

2962ab (5) An off-premise beer retailer may not sell, offer for sale, or furnish an alcoholic product to:

2962ac (a) a minor;

2962ad (b) a person actually, apparently, or obviously intoxicated;

2962ae (c) a known interdicted person; or

2962af (d) a known habitual drunkard.

2962ag (6) (a) Subject to the other provisions of this Subsection (6), an off-premise beer retailer shall:

2962ah (i) display all beer accessible by and visible to a patron in no more than two locations on the
 2962ai retail sales floor, each of which is:

2962aj (A) a display cabinet, cooler, aisle, floor display, or room where beer is the only beverage
 2962ak displayed; and

2962al (B) not adjacent to a display of nonalcoholic beverages, unless the location is a cooler with a
 2962am door from which the nonalcoholic beverages are not accessible, or the beer is separated from the
 2962an display of nonalcoholic beverages by a display of one or more nonbeverage products or another
 2962ao physical divider; and

2962ap (ii) display a sign in the area described in Subsection (6)(a)(i) that:

2962aq (A) is prominent;

2962ar (B) is easily readable by a consumer;

2962as (C) meets the requirements for format established by the commission by rule; and

2962at (D) reads in print that is no smaller than .5 inches, bold type, "These beverages contain
 2962au alcohol. Please read the label carefully."

2962av (b) Notwithstanding Subsection (6)(a), a nonalcoholic beer may be displayed with beer if the
 2962aw nonalcoholic beer is labeled, packaged, or advertised as a nonalcoholic beer.☛

- 2962ax ☛ (c) The requirements of this Subsection (6) apply to beer notwithstanding that it is labeled,
 2962ay packaged, or advertised as:
- 2962az (i) a malt cooler; or
- 2962ba (ii) a beverage that may provide energy.
- 2962bb (d) A violation of this Subsection (6) is an infraction.
- 2962bc (e) (i) Except as provided in Subsection (6)(e)(ii), the provisions of Subsection (6)(a)(i) apply on
 2962bd and after May 9, 2017.
- 2962be (ii) For a beer retailer that operates two or more off-premise beer retailers, the provisions of
 2962bf Subsection (6)(a)(i) apply on and after August 1, 2017.
- 2962bg (7) (a) Staff of an off-premise beer retailer who directly supervises the sale of beer or who sells
 2962bh beer to a patron for consumption off the premises of the off-premise beer retailer shall wear a unique
 2962bi identification badge:
- 2962bj (i) on the front of the staff's clothing;
- 2962bk (ii) visible above the waist;
- 2962bl (iii) bearing the staff's:
- 2962bm (A) first or last name;
- 2962bn (B) initials; or
- 2962bo (C) unique identification in letters or numbers; and
- 2962bp (iv) with the number or letters on the unique identification badge being sufficiently large to be
 2962bq clearly visible and identifiable while engaging in or directly supervising the retail sale of beer.
- 2962br (b) An off-premise beer retailer shall make and maintain a record of each current staff's
 2962bs unique identification badge assigned by the off-premise beer retailer that includes the staff's:
- 2962bt (i) full name;
- 2962bu (ii) address; and
- 2962bv (iii) (A) driver license number; or
- 2962bw (B) similar identification number.
- 2962bx (c) An off-premise beer retailer shall make available a record required to be made or
 2962by maintained under this Subsection (7) for immediate inspection by:
- 2962bz (i) a peace officer;
- 2962ca (ii) a representative of the local authority that issues the off-premise beer retailer license; or
- 2962cb (iii) for an off-premise beer retailer state license, a representative of the commission or
 2962cc department.
- 2962cd (d) A local authority may impose a fine of up to \$250 against an off-premise beer retailer that
 2962ce does not comply or require its staff to comply with this Subsection (7). ←Ŝ
- 2962cf Ŝ→ (8) (a) An off-premise beer retailer may sell, offer for sale, or furnish beer:
- 2962cg (i) through a drive through window;
- 2962ch (ii) at a drive-up loading area, if the area is contiguous to the licensed premises; or ☛

- 2962ci **⊕** (iii) subject to Subsection (8)(b), at a designated parking stall described.
- 2962cj (b) (i) A parking stall described in Subsection (8)(a)(iii) shall be:
- 2962ck (A) located on property that the off-premise beer retail owns or has a legal right to
- 2962cl occupy; and
- 2962cm (B) designated by the off-premise beer retailer for picking up pre-ordered items from
- 2962cn the off-premise beer retailer; and
- 2962co (C) labeled in a conspicuous manner that communicates the purpose of the stall
- 2962cp described in Subsection (8)(b)(i)(B).
- 2962cq (c) An off-premise beer retailer may not designated more than eight parking stalls
- 2962cr under Subsection (8)(a)(iii).
- 2962cs (d) Nothing in this Subsection (8) modifies the display limitations and requirements
- 2962ct described in Subsection (6). ←Ŝ

2963 Section ~~Ŝ~~ → [38] 39 ←Ŝ . Section 32B-7-407 is enacted to read:

2964 **32B-7-407. Licensing at certain package agencies.**

2965 (1) Subject to Subsection (2), the commission may issue an off-premise beer retailer
2966 state license for a premises that is a package agency located at a brewery manufacturing
2967 facility.

2968 (2) An off-premise beer retailer state licensee described in Subsection (1) may not sell
2969 beer:

2970 (a) other than beer that is the product of the brewery manufacturing licensee that holds

2971 the package agency located on the premises; or

2972 (b) at a time other than a time a package agency may sell liquor under Subsection
2973 32B-2-605(13).

2974 Section 39. Section **32B-7-408** is enacted to read:

2975 **32B-7-408. Master off-premise beer retailer state license.**

2976 (1) (a) The commission may issue a master off-premise beer retailer state license that
2977 authorizes a person to store, sell, or offer for sale beer for consumption off the person's
2978 premises at multiple locations as off-premise beer retailers if the person applying for the master
2979 off-premise beer retailer state license:

2980 (i) owns each of the off-premise beer retailers;

2981 (ii) except for the fee requirements, establishes to the satisfaction of the commission
2982 that each location of an off-premise beer retailer under the master off-premise beer retailer state
2983 license separately meets the requirements of this part; and

2984 (iii) the master off-premise beer retailer state license includes at least five off-premise
2985 beer retailer locations.

2986 (b) The person seeking a master off-premise beer retailer state license shall designate
2987 which off-premise beer retailer locations the person seeks to have under the master off-premise
2988 beer retailer state license.

2989 (c) An off-premise beer retailer location under a master off-premise beer retailer state
2990 license is considered separately licensed for purposes of this title.

2991 (2) (a) A master off-premise beer retailer state license expires on the last day of
2992 February each year.

2993 (b) To renew a person's master off-premise beer retailer state license, a person shall
2994 comply with the renewal requirements of Section 32B-7-403 by no later than January 31 of the
2995 year in which the off-premise beer retailer state license expires.

2996 (3) (a) The nonrefundable application fee for a master off-premise beer retailer state
2997 license is \$75.

2998 (b) The initial license fee for a master off-premise beer retailer state license is:

2999 (i) \$1,100 plus a separate initial license fee for each newly licensed off-premise beer
3000 retailer state license under the master off-premise beer retailer state license determined in
3001 accordance with Subsection 32B-7-402(3); and

3002 (ii) refundable if the commission does not issue the master off-premise beer retailer
3003 state license.

3004 (c) The renewal fee for a master off-premise beer retailer state license is \$300 plus a
3005 separate renewal fee for each off-premise beer retailer state license under the master
3006 off-premise beer retailer state license determined in accordance with Subsection
3007 32B-7-403(2)(b).

3008 (4) A new location may be added to a master off-premise beer retailer state license
3009 after the master off-premise beer retailer state license is issued if, including payment of the
3010 initial license fee, the location separately meets the requirements of this part.

3011 (5) (a) A master off-premise beer retailer state licensee shall notify the department of a
3012 change in the persons managing a location covered by a master off-premise beer retailer state
3013 license:

3014 (i) immediately, if the management personnel is not management personnel at a
3015 location covered by the master off-premise beer retailer state licensee at the time of the change;
3016 or

3017 (ii) within 30 days of the change, if the off-premise beer retailer state licensee is
3018 transferring management personnel from one location to another location covered by the master
3019 off-premise beer retailer state license.

3020 (b) A location covered by a master off-premise beer retailer state license shall keep its
3021 own records on its premises so that the department may audit the records.

3022 (c) A master off-premise beer retailer state licensee may not transfer beer between
3023 different locations covered by the master off-premise beer retailer state license.

3024 (6) (a) If there is a violation of this title at a location covered by a master off-premise
3025 beer retailer state license, the violation may result in disciplinary action in accordance with
3026 Chapter 3, Disciplinary Actions and Enforcement Act, against:

3027 (i) the single location under a master off-premise beer retailer state license;

3028 (ii) individual staff of the location under the master off-premise beer retailer state
3029 license; or

3030 (iii) a combination of persons or locations described in Subsections (6)(a)(i) and (ii).

3031 (b) In addition to disciplinary action under Subsection (6)(a), disciplinary action in
3032 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, may be taken against a

3033 master off-premise beer retailer state licensee or individual staff of the master off-premise beer
3034 retailer state licensee if during a period beginning on March 1 and ending the last day of
3035 February:

3036 (i) at least 25% of the locations covered by the master off-premise beer retailer state
3037 license have been found by the commission to have committed a serious or grave violation of
3038 this title, as defined by rule made by the commission; or

3039 (ii) at least 50% of the locations covered by the master off-premise beer retailer state
3040 license have been found by the commission to have violated this title.

3041 (7) The commission may make rules, in accordance with Title 63G, Chapter 3, Utah
3042 Administrative Rulemaking Act, to establish how a person may apply for a master off-premise
3043 beer retailer state license under this section.

3044 Section 40. Section **32B-11-503** is amended to read:

3045 **32B-11-503. Specific authority and operational requirements for brewery**
3046 **manufacturing license.**

3047 (1) A brewery manufacturing license allows a brewery manufacturing licensee to:

3048 (a) store, manufacture, brew, transport, or export beer, heavy beer, and flavored malt
3049 beverages;

3050 (b) sell heavy beer and a flavored malt beverage to:

3051 (i) the department;

3052 (ii) a military installation; or

3053 (iii) an out-of-state customer;

3054 (c) sell beer to a beer wholesaler licensee;

3055 (d) in the case of a small brewer, in accordance with Subsection (5), sell beer
3056 manufactured by the small brewer to:

3057 (i) a retail licensee;

3058 (ii) an off-premise beer retailer; or

3059 (iii) an event permittee; ~~and~~

3060 (e) warehouse on its premises an alcoholic product that the brewery manufacturing
3061 licensee manufactures or purchases for manufacturing purposes[-]; ~~and~~

3062 (f) if the brewery manufacturing licensee holds two or more brewery manufacturing
3063 licenses, transport beer, heavy beer, or flavored malt beverage from one of the brewery

3064 manufacturing licensee's licensed premises to another, if the transportation occurs for the
3065 purpose of:

3066 (i) continuing or completing the manufacturing process; or

3067 (ii) transferring the beer, heavy beer, or flavored malt beverage for storage at a licensed
3068 premises of the brewery manufacturing licensee that is at a package agency.

3069 (2) A brewery manufacturing licensee may not sell the following to a person within the
3070 state except the department or a military installation:

3071 (a) heavy beer; or

3072 (b) a flavored malt beverage.

3073 (3) If considered necessary, the commission or department may require:

3074 (a) the alteration of the plant, equipment, or licensed premises;

3075 (b) the alteration or removal of any unsuitable alcoholic product-making equipment or
3076 material;

3077 (c) a brewery manufacturing licensee to clean, disinfect, ventilate, or otherwise

3078 improve the sanitary and working conditions of the plant, licensed premises, and equipment; or

3079 (d) that a record pertaining to the materials and ingredients used in the manufacture of
3080 an alcoholic product be available to the commission or department upon request.

3081 (4) A brewery manufacturing licensee may not permit any beer, heavy beer, or flavored
3082 malt beverage to be consumed on the licensed premises, except under the circumstances
3083 described in this Subsection (4).

3084 (a) A brewery manufacturing licensee may allow its on-duty staff to taste the alcoholic
3085 product that the brewery manufacturing licensee manufactures on its premises without charge,
3086 but only in connection with the on-duty staff's duties of manufacturing the alcoholic product
3087 during the manufacturing process and not otherwise.

3088 (b) A brewery manufacturing licensee may allow a person who can lawfully purchase
3089 the following for wholesale or retail distribution to consume a bona fide sample of the brewery
3090 manufacturing licensee's product on the licensed premises:

3091 (i) beer;

3092 (ii) heavy beer; or

3093 (iii) a flavored malt beverage.

3094 (c) A brewery manufacturing licensee may operate a retail facility that complies with

3095 the requirements of Chapter 7, Part 2, Off-Premise Beer Retailer Local Authority.

3096 (d) A brewery manufacturing licensee may conduct tastings as provided in Section
3097 [32B-11-210](#).

3098 (5) (a) A small brewer shall own, lease, or maintain and control a warehouse facility
3099 located in this state for the storage of beer to be sold to a person described in Subsection (1)(d)
3100 if the small brewer:

3101 (i) (A) (I) is located in this state; and

3102 (II) holds a brewery manufacturing license; or

3103 (B) (I) is located outside this state; and

3104 (II) holds a certificate of approval to sell beer in this state; and

3105 (ii) sells beer manufactured by the small brewer directly to a person described in
3106 Subsection (1)(d).

3107 (b) A small brewer may not sell beer to a person described in Subsection (1)(d) unless
3108 the beer:

3109 (i) is manufactured by the small brewer; and

3110 (ii) is first placed in the small brewer's warehouse facility in this state.

3111 (c) (i) A small brewer warehouse shall make and maintain complete beer importation,
3112 inventory, tax, distribution, sales records, and other records as the department and State Tax
3113 Commission may require.

3114 (ii) The records described in Subsection (5)(c)(i) are subject to inspection by:

3115 (A) the department; and

3116 (B) the State Tax Commission.

3117 (iii) Section [32B-1-205](#) applies to a record required to be made or maintained in
3118 accordance with this Subsection (5), except that the provision is considered to include an action
3119 described in Section [32B-1-205](#) made for the purpose of deceiving the State Tax Commission,
3120 or an official or employee of the State Tax Commission.

3121 (6) Subject to Subsection (7):

3122 (a) A brewery manufacturing licensee may not sell beer in this state except under a
3123 written agreement with a beer wholesaler licensee in this state.

3124 (b) An agreement described in Subsection (6)(a) shall:

3125 (i) create a restricted exclusive sales territory that is mutually agreed upon by the

3126 persons entering into the agreement;

3127 (ii) designate the one or more brands that may be distributed in the sales territory; and

3128 (iii) set forth the exact geographical area of the sales territory.

3129 (c) A brewery manufacturing licensee may have more than one agreement described in
3130 this Subsection (6) if each brand of the brewery manufacturing licensee is covered by one
3131 exclusive sales territory.

3132 (d) A brewery manufacturing licensee may not enter into an agreement with more than
3133 one beer wholesaler licensee to distribute the same brand of beer in the same sales territory or
3134 any portion of the sales territory.

3135 (7) A small brewer is not subject to the requirements of Subsection (6).

3136 Section 41. Section **32B-17-101** is enacted to read:

3137 **CHAPTER 17. LIQUOR TRANSPORT LICENSE ACT**

3138 **Part 1. General Provisions**

3139 **32B-17-101. Title.**

3140 This chapter is known as the "Liquor Transport License Act."

3141 Section 42. Section **32B-17-201** is enacted to read:

3142 **Part 2. Liquor Transport License Process**

3143 **32B-17-201. Commission's power to issue liquor transport license.**

3144 (1) (a) Before a person other than the retail licensee may pickup and deliver liquor to a
3145 retail licensee, the person shall obtain a liquor transport license issued by the commission in
3146 accordance with this chapter.

3147 (b) A violation of Subsection (1)(a) is a class A misdemeanor.

3148 (2) The commission may issue a liquor transport license for the pickup and delivery of
3149 liquor to a retail licensee.

3150 (3) A liquor transport license entitles the holder to:

3151 (a) pickup liquor from a package agency or state store on behalf of a retail licensee
3152 using the licensee's funds; and

3153 (b) transport and deliver the liquor directly to a retail licensee.

3154 (4) Nothing in this chapter prohibits a retail licensee from picking up liquor purchased
3155 by the retail licensee and transporting the liquor to the retail licensee's licensed premises in
3156 accordance with the other provisions of this title.

3157 Section 43. Section **32B-17-202** is enacted to read:

3158 **32B-17-202. Application requirements for liquor transport license.**

3159 To obtain a liquor transport license, a person shall submit to the department:

3160 (1) a written application in a form prescribed by the department;

3161 (2) a nonrefundable \$300 application fee;

3162 (3) an initial license fee of \$2,300 that is refundable if the commission does not issue a
3163 liquor transport license;

3164 (4) a copy of the person's current business license;

3165 (5) a bond as specified in Section [32B-17-206](#);

3166 (6) evidence that the person carries liability insurance in an amount and form

3167 satisfactory to the department; and

3168 (7) any other information the commission or department may require.

3169 Section 44. Section **32B-17-203** is enacted to read:

3170 **32B-17-203. Renewal requirements for liquor transport license.**

3171 (1) A liquor transport license expires on May 31 of each year.

3172 (2) To renew a liquor transport license, a person shall submit to the department by no
3173 later than April 30 of the year in which the license expires:

3174 (a) a completed renewal application in a form prescribed by the department;

3175 (b) a copy of the person's current business license;

3176 (c) a bond as specified in Section [32B-17-206](#);

3177 (d) evidence that the person carries liability insurance in an amount and form
3178 satisfactory to the department;

3179 (e) a report that includes the following information for the period since the liquor
3180 transport licensee obtained or renewed a liquor transport license:

3181 (i) the number of deliveries the liquor transport licensee made to each type of retail
3182 licensee;

3183 (ii) each state store and each package agency from which the liquor transport licensee
3184 picked up liquor as a liquor transport licensee;

3185 (iii) any breakage or shrinkage; and

3186 (iv) any other information required by the department; and

3187 (f) a \$1,200 renewal fee.

3188 (3) Failure to meet the renewal requirements described in this section results in an
3189 automatic forfeiture of the liquor transport license effective on the date the existing liquor
3190 transport license expires.

3191 Section 45. Section **32B-17-204** is enacted to read:

3192 **32B-17-204. Qualifications for liquor transport license.**

3193 (1) The commission may not issue a liquor transport license to a person who is
3194 disqualified under Section [32B-1-304](#).

3195 (2) If a person to whom a liquor transport license is issued under this chapter no longer
3196 possesses the qualifications required by this title for obtaining the liquor transport license, the
3197 commission may suspend or revoke the person's liquor transport license.

3198 Section 46. Section **32B-17-205** is enacted to read:

3199 **32B-17-205. Commission and department duties before issuing liquor transport**
3200 **license.**

3201 (1) (a) Before the commission may issue a liquor transport license, the department shall
3202 conduct an investigation and may hold public hearings to gather information and make
3203 recommendations to the commission as to whether a liquor transport license should be issued.

3204 (b) The department shall forward the information and recommendations described in
3205 Subsection (1)(a) to the commission to aid in the commission's determination.

3206 (2) Before issuing a liquor transport license, the commission shall:

3207 (a) determine that the person filed a complete application that complies with Sections
3208 [32B-17-202](#) and [32B-17-204](#);

3209 (b) determine that the person is not disqualified under Section [32B-1-304](#);

3210 (c) consider the person's ability to manage and operate a liquor transport operation,
3211 including:

3212 (i) management experience;

3213 (ii) past related experience; and

3214 (iii) the means the person intends to use to deliver liquor to retail licensees; and

3215 (d) consider any other factor that the commission considers necessary.

3216 Section 47. Section **32B-17-206** is enacted to read:

3217 **32B-17-206. Bond for liquor transport license.**

3218 (1) (a) A liquor transport licensee shall post a cash bond or surety bond in the penal

3219 sum of \$10,000 payable to the department.

3220 (b) A liquor transport licensee shall procure and maintain a bond in accordance with
3221 this section for as long as the liquor transport licensee operates as a liquor transport licensee.

3222 (2) A bond posted under this section shall be:

3223 (a) in a form approved by the attorney general; and

3224 (b) conditioned upon a liquor transport licensee's faithful compliance with this title and
3225 the rules of the commission.

3226 (3) If a surety bond posted by a liquor transport licensee under this section is canceled
3227 due to the liquor transport licensee's negligence, the department may assess a \$300
3228 reinstatement fee.

3229 (4) No part of a bond posted under this section may be withdrawn during the period the
3230 liquor transport license is in effect.

3231 (5) (a) A bond posted under this section may be forfeited if the liquor transport license
3232 is revoked.

3233 (b) Notwithstanding Subsection (5)(a), the department may make a claim against a
3234 bond posted by a liquor transport licensee for money owed the department under this title
3235 without the commission first revoking the liquor transport license.

3236 Section 48. Section **32B-17-301** is enacted to read:

3237 **Part 3. Operational Requirements for Liquor Transport License**

3238 **32B-17-301. General operational requirements for liquor transport license.**

3239 (1) (a) A liquor transport licensee and staff of the liquor transport licensee shall comply
3240 with this title and the rules of the commission.

3241 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3242 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3243 (i) a liquor transport licensee;

3244 (ii) individual staff of a liquor transport licensee; or

3245 (iii) both a liquor transport licensee and staff of the liquor transport licensee.

3246 (2) A liquor transport licensee may not employ a minor to handle an alcoholic product.

3247 (3) A liquor transport licensee may not sell, transfer, assign, exchange, barter, give, or
3248 attempt in any way to dispose of the liquor transport license to a person, regardless of whether
3249 done for monetary gain.

3250 (4) (a) A liquor transport licensee may not deliver liquor to a person within the state
3251 except to a retail licensee.

3252 (b) A violation of this Subsection (4) is a class A misdemeanor.

3253 (5) The commission may prescribe by rule, consistent with this title, the general
3254 operational requirements of a liquor transport licensee.

3255 Section 49. Section **32B-17-302** is enacted to read:

3256 **32B-17-302. Notifying the department of change of ownership.**

3257 The commission may suspend or revoke a liquor transport license if a liquor transport
3258 licensee does not immediately notify the department of a change in:

3259 (1) ownership of the liquor transport service;

3260 (2) for a corporate owner:

3261 (a) the corporate officers or directors; or

3262 (b) shareholders holding at least 20% of the total issued and outstanding stock of the
3263 corporation; or

3264 (3) for a limited liability company:

3265 (a) the managers; or

3266 (b) the members owing at least 20% of the limited liability company.

3267 Section 50. Section **62A-15-401** is amended to read:

3268 **62A-15-401. Alcohol training and education seminar.**

3269 (1) As used in this part:

3270 (a) "Instructor" means a person that directly provides the instruction during an alcohol
3271 training and education seminar for a seminar provider.

3272 (b) "Licensee" means a person who is:

3273 (i) (A) a new or renewing licensee under Title 32B, Alcoholic Beverage Control Act;

3274 and

3275 (B) engaged in the retail sale of an alcoholic product for consumption on the premises
3276 of the licensee; or

3277 (ii) a business that is:

3278 (A) a new or renewing licensee licensed by a city, town, or county; and

3279 (B) engaged in the retail sale of beer for consumption off the premises of the licensee.

3280 (c) "Off-premise beer retailer" is as defined in Section [32B-1-102](#).

3281 (d) "Seminar provider" means a person other than the division who provides an alcohol
3282 training and education seminar meeting the requirements of this section.

3283 (2) (a) This section applies to:

3284 (i) a retail manager as defined in Section [~~32B-5-402~~] [32B-1-701](#);

3285 (ii) retail staff as defined in Section [~~32B-5-402~~] [32B-1-701](#); and

3286 (iii) an individual who, as defined by division rule:

3287 (A) directly supervises the sale of beer to a customer for consumption off the premises
3288 of an off-premise beer retailer; or

3289 (B) sells beer to a customer for consumption off the premises of an off-premise beer
3290 retailer.

3291 (b) If the individual does not have a valid record that the individual has completed an
3292 alcohol training and education seminar, an individual described in Subsection (2)(a) shall:

3293 (i) (A) complete an alcohol training and education seminar within 30 days of the
3294 following if the individual is described in Subsection (2)(a)(i) or (ii):

3295 (I) if the individual is an employee, the day the individual begins employment;

3296 (II) if the individual is an independent contractor, the day the individual is first hired;

3297 or

3298 (III) if the individual holds an ownership interest in the licensee, the day that the
3299 individual first engages in an activity that would result in that individual being required to
3300 complete an alcohol training and education seminar; or

3301 (B) complete an alcohol training and education seminar within the time periods
3302 specified in Subsection [~~32B-5-404(1)~~] [32B-1-703\(1\)](#) if the individual is described in
3303 Subsection (2)(a)(iii)(A) or (B); and

3304 (ii) pay a fee:

3305 (A) to the seminar provider; and

3306 (B) that is equal to or greater than the amount established under Subsection (4)(h).

3307 (c) An individual shall have a valid record that the individual completed an alcohol
3308 training and education seminar within the time period provided in this Subsection (2) to engage
3309 in an activity described in Subsection (2)(a).

3310 (d) A record that an individual has completed an alcohol training and education
3311 seminar is valid for:

3312 (i) three years from the day on which the record is issued for an individual described in
3313 Subsection (2)(a)(i) or (ii); and

3314 (ii) five years from the day on which the record is issued for an individual described in
3315 Subsection (2)(a)(iii)(A) or (B).

3316 (e) On and after July 1, 2011, to be considered as having completed an alcohol training
3317 and education seminar, an individual shall:

3318 (i) attend the alcohol training and education seminar and take any test required to
3319 demonstrate completion of the alcohol training and education seminar in the physical presence
3320 of an instructor of the seminar provider; or

3321 (ii) complete the alcohol training and education seminar and take any test required to
3322 demonstrate completion of the alcohol training and education seminar through an online course
3323 or testing program that meets the requirements described in Subsection (2)(f).

3324 (f) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah
3325 Administrative Rulemaking Act, establish one or more requirements for an online course or
3326 testing program described in Subsection (2)(e) that are designed to inhibit fraud in the use of
3327 the online course or testing program. In developing the requirements by rule the division shall
3328 consider whether to require:

3329 (i) authentication that the an individual accurately identifies the individual as taking the
3330 online course or test;

3331 (ii) measures to ensure that an individual taking the online course or test is focused on
3332 training material throughout the entire training period;

3333 (iii) measures to track the actual time an individual taking the online course or test is
3334 actively engaged online;

3335 (iv) a seminar provider to provide technical support, such as requiring a telephone
3336 number, email, or other method of communication that allows an individual taking the online
3337 course or test to receive assistance if the individual is unable to participate online because of
3338 technical difficulties;

3339 (v) a test to meet quality standards, including randomization of test questions and
3340 maximum time limits to take a test;

3341 (vi) a seminar provider to have a system to reduce fraud as to who completes an online
3342 course or test, such as requiring a distinct online certificate with information printed on the

3343 certificate that identifies the person taking the online course or test, or requiring measures to
3344 inhibit duplication of a certificate;

3345 (vii) measures for the division to audit online courses or tests;

3346 (viii) measures to allow an individual taking an online course or test to provide an
3347 evaluation of the online course or test;

3348 (ix) a seminar provider to track the Internet protocol address or similar electronic
3349 location of an individual who takes an online course or test;

3350 (x) an individual who takes an online course or test to use an e-signature; or

3351 (xi) a seminar provider to invalidate a certificate if the seminar provider learns that the
3352 certificate does not accurately reflect the individual who took the online course or test.

3353 (3) (a) A licensee may not permit an individual who is not in compliance with
3354 Subsection (2) to:

3355 (i) serve or supervise the serving of an alcoholic product to a customer for
3356 consumption on the premises of the licensee;

3357 (ii) engage in any activity that would constitute managing operations at the premises of
3358 a licensee that engages in the retail sale of an alcoholic product for consumption on the
3359 premises of the licensee;

3360 (iii) directly supervise the sale of beer to a customer for consumption off the premises
3361 of an off-premise beer retailer; or

3362 (iv) sell beer to a customer for consumption off the premises of an off-premise beer
3363 retailer.

3364 (b) A licensee that violates Subsection (3)(a) is subject to Section [~~32B-5-403~~]
3365 [32B-1-702](#).

3366 (4) The division shall:

3367 (a) (i) provide alcohol training and education seminars; or

3368 (ii) certify one or more seminar providers;

3369 (b) establish the curriculum for an alcohol training and education seminar that includes
3370 the following subjects:

3371 (i) (A) alcohol as a drug; and

3372 (B) alcohol's effect on the body and behavior;

3373 (ii) recognizing the problem drinker or signs of intoxication;

3374 (iii) an overview of state alcohol laws related to responsible beverage sale or service,
3375 as determined in consultation with the Department of Alcoholic Beverage Control;

3376 (iv) dealing with the problem customer, including ways to terminate sale or service;
3377 and

3378 (v) for those supervising or engaging in the retail sale of an alcoholic product for
3379 consumption on the premises of a licensee, alternative means of transportation to get the
3380 customer safely home;

3381 (c) recertify each seminar provider every three years;

3382 (d) monitor compliance with the curriculum described in Subsection (4)(b);

3383 (e) maintain for at least five years a record of every person who has completed an
3384 alcohol training and education seminar;

3385 (f) provide the information described in Subsection (4)(e) on request to:

3386 (i) the Department of Alcoholic Beverage Control;

3387 (ii) law enforcement; or

3388 (iii) a person licensed by the state or a local government to sell an alcoholic product;

3389 (g) provide the Department of Alcoholic Beverage Control on request a list of any
3390 seminar provider certified by the division; and

3391 (h) establish a fee amount for each person attending an alcohol training and education
3392 seminar that is sufficient to offset the division's cost of administering this section.

3393 (5) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah
3394 Administrative Rulemaking Act:

3395 (a) define what constitutes under this section an individual who:

3396 (i) manages operations at the premises of a licensee engaged in the retail sale of an
3397 alcoholic product for consumption on the premises of the licensee;

3398 (ii) supervises the serving of an alcoholic product to a customer for consumption on the
3399 premises of a licensee;

3400 (iii) serves an alcoholic product to a customer for consumption on the premises of a
3401 licensee;

3402 (iv) directly supervises the sale of beer to a customer for consumption off the premises
3403 of an off-premise beer retailer; or

3404 (v) sells beer to a customer for consumption off the premises of an off-premise beer

3405 retailer;

3406 (b) establish criteria for certifying and recertifying a seminar provider; and

3407 (c) establish guidelines for the manner in which an instructor provides an alcohol

3408 education and training seminar.

3409 (6) A seminar provider shall:

3410 (a) obtain recertification by the division every three years;

3411 (b) ensure that an instructor used by the seminar provider:

3412 (i) follows the curriculum established under this section; and

3413 (ii) conducts an alcohol training and education seminar in accordance with the

3414 guidelines established by rule;

3415 (c) ensure that any information provided by the seminar provider or instructor of a

3416 seminar provider is consistent with:

3417 (i) the curriculum established under this section; and

3418 (ii) this section;

3419 (d) provide the division with the names of all persons who complete an alcohol training

3420 and education seminar provided by the seminar provider;

3421 (e) (i) collect a fee for each person attending an alcohol training and education seminar

3422 in accordance with Subsection (2); and

3423 (ii) forward to the division the portion of the fee that is equal to the amount described

3424 in Subsection (4)(h); and

3425 (f) issue a record to an individual that completes an alcohol training and education

3426 seminar provided by the seminar provider.

3427 (7) (a) If after a hearing conducted in accordance with Title 63G, Chapter 4,

3428 Administrative Procedures Act, the division finds that a seminar provider violates this section

3429 or that an instructor of the seminar provider violates this section, the division may:

3430 (i) suspend the certification of the seminar provider for a period not to exceed 90 days;

3431 (ii) revoke the certification of the seminar provider;

3432 (iii) require the seminar provider to take corrective action regarding an instructor; or

3433 (iv) prohibit the seminar provider from using an instructor until such time that the

3434 seminar provider establishes to the satisfaction of the division that the instructor is in

3435 compliance with Subsection (6)(b).

- 3436 (b) The division may certify a seminar provider whose certification is revoked:
3437 (i) no sooner than 90 days from the date the certification is revoked; and
3438 (ii) if the seminar provider establishes to the satisfaction of the division that the
3439 seminar provider will comply with this section.

3440 Section 51. Section **63I-2-232** is amended to read:

3441 **63I-2-232. Repeal dates -- Title 32B.**

- 3442 (1) Subsection **32B-1-102(7)** is repealed July 1, 2022.
3443 (2) Subsection **32B-1-407(3)(d)** is repealed July 1, 2022.
3444 (3) Subsection **32B-1-604(4)** is repealed June 1, 2018.
3445 (4) Subsections **32B-6-202(3)** and (4) are repealed July 1, 2022.
3446 (5) Section **32B-6-205** is repealed July 1, 2022.
3447 (6) Subsection **32B-6-205.2~~(15)~~(14)** is repealed July 1, 2022.
3448 (7) Section **32B-6-205.3** is repealed July 1, 2022.
3449 (8) Subsections **32B-6-302(3)** and (4) are repealed July 1, 2022.
3450 (9) Section **32B-6-305** is repealed July 1, 2022.
3451 (10) Subsection **32B-6-305.2~~(15)~~(14)** is repealed July 1, 2022.
3452 (11) Section **32B-6-305.3** is repealed July 1, 2022.
3453 (12) Section **32B-6-404.1** is repealed July 1, 2022.
3454 (13) Section **32B-6-409** is repealed July 1, 2022.
3455 (14) Section **32B-6-605.1** is repealed July 1, 2019.
3456 (15) Subsection **32B-6-703(2)(e)(iv)** is repealed July 1, 2022.
3457 (16) Subsections **32B-6-902(1)(c)**, (1)(d), and (2) are repealed July 1, 2022.
3458 (17) Section **32B-6-905** is repealed July 1, 2022.
3459 (18) Subsection **32B-6-905.1~~(16)~~(15)** is repealed July 1, 2022.
3460 (19) Section **32B-6-905.2** is repealed July 1, 2022.
3461 (20) Section **32B-7-303** is repealed March 1, 2019.
3462 (21) Section **32B-7-304** is repealed March 1, 2019.
3463 (22) Subsection **32B-8-402(1)(b)** is repealed July 1, 2022.

3464 Section 52. **Repealer.**

3465 This bill repeals:

3466 Section **32B-5-401, Title.**

3467