ALCOHOLIC BEVERAGE CONTROL ACT
2012 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Ross I. Romero
House Sponsor:
LONG TITLE
General Description:
This bill modifies the Alcoholic Beverage Control Act to address restrictions on pricing
for the retail sale of alcoholic products, the number of club licenses, and restrictions on
dispensing and storage.
Highlighted Provisions:
This bill:
modifies definition provision;
 modifies the law enforcement ratio;
 repeals the prohibition on selling alcoholic products at a discount;
 removes restrictions related to dispensing and storage for restaurants and reception
centers;
modifies the number of available club licenses; and
makes technical amendments.
Money Appropriated in this Bill:
None
Other Special Clauses:
None
Utah Code Sections Affected:
AMENDS:
32B-1-102 , as last amended by Laws of Utah 2011, Second Special Session, Chapter 2



	32B-1-201, as last amended by Laws of Utah 2011, Chapter 334
	32B-5-305, as last amended by Laws of Utah 2011, Chapter 334
	32B-6-205, as last amended by Laws of Utah 2011, Chapters 307 and 334
	32B-6-305, as last amended by Laws of Utah 2011, Chapters 307 and 334
	32B-6-403, as last amended by Laws of Utah 2011, Second Special Session, Chapter 2
	32B-6-703, as last amended by Laws of Utah 2011, Second Special Session, Chapter 2
	32B-6-805, as enacted by Laws of Utah 2011, Chapter 334
	32B-6-902 (Effective 03/01/12), as last amended by Laws of Utah 2011, Second
Spe	cial Session, Chapter 2
	32B-6-905 (Effective 03/01/12), as enacted by Laws of Utah 2011, Chapter 334
Be	it enacted by the Legislature of the state of Utah:
	Section 1. Section 32B-1-102 is amended to read:
	32B-1-102. Definitions.
	As used in this title:
	(1) "Airport lounge" means a business location:
	(a) at which an alcoholic product is sold at retail for consumption on the premises; and
	(b) that is located at an international airport with a United States Customs office on the
ore	mises of the international airport.
	(2) "Airport lounge license" means a license issued in accordance with Chapter 5,
Ret	ail License Act, and Chapter 6, Part 5, Airport Lounge License.
	(3) "Alcoholic beverage" means the following:
	(a) beer; or
	(b) liquor.
	(4) (a) "Alcoholic product" means a product that:
	(i) contains at least .5% of alcohol by volume; and
	(ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other
ro	cess that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol
in a	n amount equal to or greater than .5% of alcohol by volume.
	(b) "Alcoholic product" includes an alcoholic beverage.
	(c) "Alcoholic product" does not include any of the following common items that

59	otherwise come within the definition of an alcoholic product:
60	(i) except as provided in Subsection (4)(d), an extract;
61	(ii) vinegar;
62	(iii) cider;
63	(iv) essence;
64	(v) tincture;
65	(vi) food preparation; or
66	(vii) an over-the-counter medicine.
67	(d) "Alcoholic product" includes an extract containing alcohol obtained by distillation
68	when it is used as a flavoring in the manufacturing of an alcoholic product.
69	(5) "Alcohol training and education seminar" means a seminar that is:
70	(a) required by Chapter 5, Part 4, Alcohol Training and Education Act; and
71	(b) described in Section 62A-15-401.
72	(6) "Banquet" means an event:
73	(a) that is held at one or more designated locations approved by the commission in or
74	on the premises of a:
75	(i) hotel;
76	(ii) resort facility;
77	(iii) sports center; or
78	(iv) convention center;
79	(b) for which there is a contract:
80	(i) between a person operating a facility listed in Subsection (6)(a) and another person;
81	and
82	(ii) under which the person operating a facility listed in Subsection (6)(a) is required to
83	provide an alcoholic product at the event; and
84	(c) at which food and alcoholic products may be sold, offered for sale, or furnished.
85	(7) (a) "Bar" means a surface or structure:
86	(i) at which an alcoholic product is:
87	(A) stored; or
88	(B) dispensed; or
89	(ii) from which an alcoholic product is served.

90	(b) "Bar structure" means a surface or structure on a licensed premises if on or at any
91	place of the surface or structure an alcoholic product is:
92	(i) stored; or
93	(ii) dispensed.
94	(8) (a) Subject to Subsection (8)(d), "beer" means a product that:
95	(i) contains at least .5% of alcohol by volume, but not more than 4% of alcohol by
96	volume or 3.2% by weight; and
97	(ii) is obtained by fermentation, infusion, or decoction of malted grain.
98	(b) "Beer" may or may not contain hops or other vegetable products.
99	(c) "Beer" includes a product that:
100	(i) contains alcohol in the percentages described in Subsection (8)(a); and
101	(ii) is referred to as:
102	(A) beer;
103	(B) ale;
104	(C) porter;
105	(D) stout;
106	(E) lager; or
107	(F) a malt or malted beverage.
108	(d) "Beer" does not include a flavored malt beverage.
109	(9) "Beer-only restaurant license" means a license issued in accordance with Chapter 5
110	Retail License Act, and Chapter 6, Part 9, Beer-only Restaurant License.
111	(10) "Beer retailer" means a business:
112	(a) that is engaged, primarily or incidentally, in the retail sale of beer to a patron,
113	whether for consumption on or off the business premises; and
114	(b) to whom a license is issued:
115	(i) for an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-premise
116	Beer Retailer Local Authority; or
117	(ii) for an on-premise beer retailer, in accordance with Chapter 5, Retail License Act,
118	and Chapter 6, Part 7, On-premise Beer Retailer License.
119	(11) "Beer wholesaling license" means a license:
120	(a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and

121	(b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
122	retail licensees or off-premise beer retailers.
123	(12) "Billboard" means a public display used to advertise, including:
124	(a) a light device;
125	(b) a painting;
126	(c) a drawing;
127	(d) a poster;
128	(e) a sign;
129	(f) a signboard; or
130	(g) a scoreboard.
131	(13) "Brewer" means a person engaged in manufacturing:
132	(a) beer;
133	(b) heavy beer; or
134	(c) a flavored malt beverage.
135	(14) "Brewery manufacturing license" means a license issued in accordance with
136	Chapter 11, Part 5, Brewery Manufacturing License.
137	(15) "Certificate of approval" means a certificate of approval obtained from the
138	department under Section 32B-11-201.
139	(16) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
140	a bus company to a group of persons pursuant to a common purpose:
141	(a) under a single contract;
142	(b) at a fixed charge in accordance with the bus company's tariff; and
143	(c) to give the group of persons the exclusive use of the passenger bus, coach, or other
144	motor vehicle, and a driver to travel together to one or more specified destinations.
145	(17) "Church" means a building:
146	(a) set apart for worship;
147	(b) in which religious services are held;
148	(c) with which clergy is associated; and
149	(d) that is tax exempt under the laws of this state.
150	(18) (a) "Club license" means a license issued in accordance with Chapter 5, Retail
151	License Act, and Chapter 6, Part 4, Club License.

152	(b) "Club license" includes:
153	(i) a dining club license;
154	(ii) an equity club license;
155	(iii) a fraternal club license; or
156	(iv) a social club license.
157	(19) "Commission" means the Alcoholic Beverage Control Commission created in
158	Section 32B-2-201.
159	(20) "Commissioner" means a member of the commission.
160	(21) "Community location" means:
161	(a) a public or private school;
162	(b) a church;
163	(c) a public library;
164	(d) a public playground; or
165	(e) a public park.
166	(22) "Community location governing authority" means:
167	(a) the governing body of the community location; or
168	(b) if the commission does not know who is the governing body of a community
169	location, a person who appears to the commission to have been given on behalf of the
170	community location the authority to prohibit an activity at the community location.
171	(23) "Container" means a receptacle that contains an alcoholic product, including:
172	(a) a bottle;
173	(b) a vessel; or
174	(c) a similar item.
175	(24) "Convention center" means a facility that is:
176	(a) in total at least 30,000 square feet; and
177	(b) otherwise defined as a "convention center" by the commission by rule.
178	(25) (a) Subject to Subsection (25)(b), "counter" means a surface or structure in a
179	dining area of a licensed premises where seating is provided to a patron for service of food.
180	(b) "Counter" does not include a surface or structure if on or at any point of the surface
181	or structure an alcoholic product is:
182	(i) stored; or

183	(ii) dispensed.
184	(26) "Department" means the Department of Alcoholic Beverage Control created in
185	Section 32B-2-203.
186	(27) "Department compliance officer" means an individual who is:
187	(a) an auditor or inspector; and
188	(b) employed by the department.
189	(28) "Department sample" means liquor that is placed in the possession of the
190	department for testing, analysis, and sampling.
191	(29) "Dining club license" means a license issued in accordance with Chapter 5, Retai
192	License Act, and Chapter 6, Part 4, Club License, that is designated by the commission as a
193	dining club license.
194	(30) "Director," unless the context requires otherwise, means the director of the
195	department.
196	(31) "Disciplinary proceeding" means an adjudicative proceeding permitted under this
197	title:
198	(a) against a person subject to administrative action; and
199	(b) that is brought on the basis of a violation of this title.
200	[(32) (a) Subject to Subsection (32)(b), "dispense" means:]
201	[(i) drawing of an alcoholic product:]
202	[(A) from an area where it is stored; or]
203	[(B) as provided in Subsection 32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii),
204	32B-6-805(15)(b)(ii), or 32B-6-905(12)(b)(ii); and]
205	[(ii) using the alcoholic product described in Subsection (32)(a)(i) on the premises of
206	the licensed premises to mix or prepare an alcoholic product to be furnished to a patron of the
207	retail licensee.]
208	[(b) The definition of "dispense" in this Subsection (32) applies only to:]
209	[(i) a full-service restaurant license;]
210	[(ii) a limited-service restaurant license;]
211	[(iii) a reception center license; and]
212	[(iv) a beer-only restaurant license.]
213	[(33)] (32) "Distillery manufacturing license" means a license issued in accordance

214	with Chapter 11, Part 4, Distillery Manufacturing License.
215	[(34)] (33) "Distressed merchandise" means an alcoholic product in the possession of
216	the department that is saleable, but for some reason is unappealing to the public.
217	[(35)] (<u>34)</u> "Educational facility" includes:
218	(a) a nursery school;
219	(b) an infant day care center; and
220	(c) a trade and technical school.
221	[(36)] (35) "Equity club license" means a license issued in accordance with Chapter 5,
222	Retail License Act, and Chapter 6, Part 4, Club License, that is designated by the commission
223	as an equity club license.
224	[(37)] <u>(36)</u> "Event permit" means:
225	(a) a single event permit; or
226	(b) a temporary beer event permit.
227	[(38)] (37) "Exempt license" means a license exempt under Section 32B-1-201 from
228	being considered in determining the total number of a retail license that the commission may
229	issue at any time.
230	[(39)] <u>(38)</u> (a) "Flavored malt beverage" means a beverage:
231	(i) that contains at least .5% alcohol by volume;
232	(ii) that is treated by processing, filtration, or another method of manufacture that is not
233	generally recognized as a traditional process in the production of a beer as described in 27
234	C.F.R. Sec. 25.55;
235	(iii) to which is added a flavor or other ingredient containing alcohol, except for a hop
236	extract; and
237	(iv) (A) for which the producer is required to file a formula for approval with the
238	federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or
239	(B) that is not exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55.
240	(b) "Flavored malt beverage" is considered liquor for purposes of this title.
241	[(40)] (39) "Fraternal club license" means a license issued in accordance with Chapter
242	5, Retail License Act, and Chapter 6, Part 4, Club License, that is designated by the
243	commission as a fraternal club license.
244	[(41)] (40) "Full-service restaurant license" means a license issued in accordance with

245	Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-service Restaurant License.
246	[42) (a) "Furnish" means by any means to provide with, supply, or give an
247	individual an alcoholic product, by sale or otherwise.
248	(b) "Furnish" includes to:
249	(i) serve;
250	(ii) deliver; or
251	(iii) otherwise make available.
252	[(43)] (42) "Guest" means an individual who meets the requirements of Subsection
253	32B-6-407(9).
254	[(44)] <u>(43)</u> "Health care practitioner" means:
255	(a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;
256	(b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;
257	(c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;
258	(d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice
259	Act;
260	(e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b,
261	Nurse Practice Act;
262	(f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy
263	Practice Act;
264	(g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational
265	Therapy Practice Act;
266	(h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;
267	(i) a mental health professional licensed under Title 58, Chapter 60, Mental Health
268	Professional Practice Act;
269	(j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
270	(k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical
271	Practice Act;
272	(l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental
273	Hygienist Practice Act; and
274	(m) a physician assistant licensed under Title 58, Chapter 70a, Physician Assistant Act
275	$\left[\frac{(45)}{(44)}\right]$ (a) "Heavy beer" means a product that:

2/6	(1) contains more than 4% alcohol by volume; and
277	(ii) is obtained by fermentation, infusion, or decoction of malted grain.
278	(b) "Heavy beer" is considered liquor for the purposes of this title.
279	[(46)] (45) "Hotel" is as defined by the commission by rule.
280	[(47)] <u>(46)</u> "Identification card" means an identification card issued under Title 53,
281	Chapter 3, Part 8, Identification Card Act.
282	[(48)] (47) "Industry representative" means an individual who is compensated by
283	salary, commission, or other means for representing and selling an alcoholic product of a
284	manufacturer, supplier, or importer of liquor.
285	[(49)] (48) "Industry representative sample" means liquor that is placed in the
286	possession of the department for testing, analysis, and sampling by a local industry
287	representative on the premises of the department to educate the local industry representative of
288	the quality and characteristics of the product.
289	[(50)] (49) "Interdicted person" means a person to whom the sale, offer for sale, or
290	furnishing of an alcoholic product is prohibited by:
291	(a) law; or
292	(b) court order.
293	[(51)] (50) "Intoxicated" means that a person:
294	(a) is significantly impaired as to the person's mental or physical functions as a result of
295	the use of:
296	(i) an alcoholic product;
297	(ii) a controlled substance;
298	(iii) a substance having the property of releasing toxic vapors; or
299	(iv) a combination of Subsections [(51)] (50)(a)(i) through (iii); and
300	(b) exhibits plain and easily observed outward manifestations of behavior or physical
301	signs produced by the over consumption of an alcoholic product.
302	[(52)] (51) "Investigator" means an individual who is:
303	(a) a department compliance officer; or
304	(b) a nondepartment enforcement officer.
305	[(53)] (52) "Invitee" is as defined in Section 32B-8-102.
306	[(54)] <u>(53)</u> "License" means:

307	(a) a retail license;
308	(b) a license issued in accordance with Chapter 11, Manufacturing and Related
309	Licenses Act;
310	(c) a license issued in accordance with Chapter 12, Liquor Warehousing License Act;
311	or
312	(d) a license issued in accordance with Chapter 13, Beer Wholesaling License Act.
313	[(55)] (54) "Licensee" means a person who holds a license.
314	[(56)] (55) "Limited-service restaurant license" means a license issued in accordance
315	with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-service Restaurant License.
316	[(57)] (56) "Limousine" means a motor vehicle licensed by the state or a local
317	authority, other than a bus or taxicab:
318	(a) in which the driver and a passenger are separated by a partition, glass, or other
319	barrier;
320	(b) that is provided by a business entity to one or more individuals at a fixed charge in
321	accordance with the business entity's tariff; and
322	(c) to give the one or more individuals the exclusive use of the limousine and a driver
323	to travel to one or more specified destinations.
324	[(58)] <u>(57)</u> (a) (i) "Liquor" means a liquid that:
325	(A) is:
326	(I) alcohol;
327	(II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;
328	(III) a combination of liquids a part of which is spirituous, vinous, or fermented; or
329	(IV) other drink or drinkable liquid; and
330	(B) (I) contains at least .5% alcohol by volume; and
331	(II) is suitable to use for beverage purposes.
332	(ii) "Liquor" includes:
333	(A) heavy beer;
334	(B) wine; and
335	(C) a flavored malt beverage.
336	(b) "Liquor" does not include beer.
337	[(59)] (58) "Liquor Control Fund" means the enterprise fund created by Section

338	32B-2-301.
339	[(60)] (59) "Liquor warehousing license" means a license that is issued:
340	(a) in accordance with Chapter 12, Liquor Warehousing License Act; and
341	(b) to a person, other than a licensed manufacturer, who engages in the importation for
342	storage, sale, or distribution of liquor regardless of amount.
343	[(61)] <u>(60)</u> "Local authority" means:
344	(a) for premises that are located in an unincorporated area of a county, the governing
345	body of a county; or
346	(b) for premises that are located in an incorporated city or a town, the governing body
347	of the city or town.
348	[(62)] (61) "Lounge or bar area" is as defined by rule made by the commission.
349	[(63)] (62) "Manufacture" means to distill, brew, rectify, mix, compound, process,
350	ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to
351	others.
352	[(64)] (63) "Member" means an individual who, after paying regular dues, has full
353	privileges in an equity club licensee or fraternal club licensee.
354	[(65)] (64) (a) "Military installation" means a base, air field, camp, post, station, yard,
355	center, or homeport facility for a ship:
356	(i) (A) under the control of the United States Department of Defense; or
357	(B) of the National Guard;
358	(ii) that is located within the state; and
359	(iii) including a leased facility.
360	(b) "Military installation" does not include a facility used primarily for:
361	(i) civil works;
362	(ii) a rivers and harbors project; or
363	(iii) a flood control project.
364	[(66)] (65) "Minor" means an individual under the age of 21 years.
365	[(67)] <u>(66)</u> "Nondepartment enforcement agency" means an agency that:
366	(a) (i) is a state agency other than the department; or
367	(ii) is an agency of a county, city, or town; and
368	(b) has a responsibility to enforce one or more provisions of this title.

369	[(68)] (67) "Nondepartment enforcement officer" means an individual who is:
370	(a) a peace officer, examiner, or investigator; and
371	(b) employed by a nondepartment enforcement agency.
372	[(69)] <u>(68)</u> (a) "Off-premise beer retailer" means a beer retailer who is:
373	(i) licensed in accordance with Chapter 7, Part 2, Off-premise Beer Retailer Local
374	Authority; and
375	(ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's
376	premises.
377	(b) "Off-premise beer retailer" does not include an on-premise beer retailer.
378	[(70)] (69) "On-premise banquet license" means a license issued in accordance with
379	Chapter 5, Retail License Act, and Chapter 6, Part 6, On-premise Banquet License.
380	[(71)] (70) "On-premise beer retailer" means a beer retailer who is:
381	(a) authorized to sell, offer for sale, or furnish beer under a license issued in
382	accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-premise Beer
383	Retailer License; and
384	(b) engaged in the sale of beer to a patron for consumption on the beer retailer's
385	premises:
386	(i) regardless of whether the beer retailer sells beer for consumption off the licensed
387	premises; and
388	(ii) on and after March 1, 2012, operating:
389	(A) as a tavern; or
390	(B) in a manner that meets the requirements of Subsection 32B-6-703(2)(e)(i).
391	[(72)] (71) "Opaque" means impenetrable to sight.
392	[(73)] (72) "Package agency" means a retail liquor location operated:
393	(a) under an agreement with the department; and
394	(b) by a person:
395	(i) other than the state; and
396	(ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package
397	Agency, to sell packaged liquor for consumption off the premises of the package agency.
398	[(74)] (73) "Package agent" means a person who holds a package agency.
399	[(75)] (74) "Patron" means an individual to whom food, beverages, or services are sold,

400 offered for sale, or furnished, or who consumes an alcoholic product including: 401 (a) a customer; 402 (b) a member; 403 (c) a guest; 404 (d) an attendee of a banquet or event; 405 (e) an individual who receives room service; 406 (f) a resident of a resort; 407 (g) a public customer under a resort spa sublicense, as defined in Section 32B-8-102; 408 or 409 (h) an invitee. 410 [(76)] (75) "Permittee" means a person issued a permit under: 411 (a) Chapter 9, Event Permit Act; or 412 (b) Chapter 10, Special Use Permit Act. 413 [(77)] (76) "Person subject to administrative action" means: 414 (a) a licensee; 415 (b) a permittee; 416 (c) a manufacturer; 417 (d) a supplier; 418 (e) an importer; 419 (f) one of the following holding a certificate of approval: 420 (i) an out-of-state brewer; 421 (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or 422 (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or 423 (g) staff of: 424 (i) a person listed in Subsections [(77)] (76)(a) through (f); or 425 (ii) a package agent. 426 [(78)] (77) "Premises" means a building, enclosure, or room used in connection with 427 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic 428 product, unless otherwise defined in this title or rules made by the commission. 429 [(79)] (78) "Prescription" means an order issued by a health care practitioner when: 430 (a) the health care practitioner is licensed under Title 58, Occupations and Professions,

431	to prescribe a controlled substance, other drug, or device for medicinal purposes;
432	(b) the order is made in the course of that health care practitioner's professional
433	practice; and
434	(c) the order is made for obtaining an alcoholic product for medicinal purposes only.
435	[(80)] (79) (a) "Private event" means a specific social, business, or recreational event:
436	(i) for which an entire room, area, or hall is leased or rented in advance by an identified
437	group; and
438	(ii) that is limited in attendance to people who are specifically designated and their
439	guests.
440	(b) "Private event" does not include an event to which the general public is invited,
441	whether for an admission fee or not.
442	[(81)] (<u>80)</u> (a) "Proof of age" means:
443	(i) an identification card;
444	(ii) an identification that:
445	(A) is substantially similar to an identification card;
446	(B) is issued in accordance with the laws of a state other than Utah in which the
447	identification is issued;
448	(C) includes date of birth; and
449	(D) has a picture affixed;
450	(iii) a valid driver license certificate that:
451	(A) includes date of birth;
452	(B) has a picture affixed; and
453	(C) is issued:
454	(I) under Title 53, Chapter 3, Uniform Driver License Act; or
455	(II) in accordance with the laws of the state in which it is issued;
456	(iv) a military identification card that:
457	(A) includes date of birth; and
458	(B) has a picture affixed; or
459	(v) a valid passport.
460	(b) "Proof of age" does not include a driving privilege card issued in accordance with
461	Section 53-3-207.

462	[(82)] (81) (a) "Public building" means a building or permanent structure that is:
463	(i) owned or leased by:
464	(A) the state; or
465	(B) a local government entity; and
466	(ii) used for:
467	(A) public education;
468	(B) transacting public business; or
469	(C) regularly conducting government activities.
470	(b) "Public building" does not include a building owned by the state or a local
471	government entity when the building is used by a person, in whole or in part, for a proprietary
472	function.
473	[(83)] (82) "Public conveyance" means a conveyance to which the public or a portion
474	of the public has access to and a right to use for transportation, including an airline, railroad,
475	bus, boat, or other public conveyance.
476	[(84)] (83) "Reception center" means a business that:
477	(a) operates facilities that are at least 5,000 square feet; and
478	(b) has as its primary purpose the leasing of the facilities described in Subsection [(84)]
479	(83)(a) to a third party for the third party's event.
480	[(85)] (84) "Reception center license" means a license issued in accordance with
481	Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.
482	[(86)] (85) (a) "Record" means information that is:
483	(i) inscribed on a tangible medium; or
484	(ii) stored in an electronic or other medium and is retrievable in a perceivable form.
485	(b) "Record" includes:
486	(i) a book;
487	(ii) a book of account;
488	(iii) a paper;
489	(iv) a contract;
490	(v) an agreement;
491	(vi) a document; or
492	(vii) a recording in any medium.

493	[(87)] (86) "Residence" means a person's principal place of abode within Utah.
494	[(88)] (87) "Resident," in relation to a resort, is as defined in Section 32B-8-102.
495	[(89)] (88) "Resort" is as defined in Section 32B-8-102.
496	[(90)] (89) "Resort facility" is as defined by the commission by rule.
497	[(91)] (90) "Resort license" means a license issued in accordance with Chapter 5,
498	Retail License Act, and Chapter 8, Resort License Act.
499	[(92)] (91) "Restaurant" means a business location:
500	(a) at which a variety of foods are prepared;
501	(b) at which complete meals are served to the general public; and
502	(c) that is engaged primarily in serving meals to the general public.
503	[(93)] (92) "Retail license" means one of the following licenses issued under this title:
504	(a) a full-service restaurant license;
505	(b) a limited-service restaurant license;
506	(c) a club license;
507	(d) an airport lounge license;
508	(e) an on-premise banquet license;
509	(f) an on-premise beer license;
510	(g) a reception center license; or
511	(h) a beer-only restaurant license.
512	[(94)] (<u>93)</u> "Room service" means furnishing an alcoholic product to a person in a
513	guest room of a:
514	(a) hotel; or
515	(b) resort facility.
516	[(95)] (94) "Serve" means to place an alcoholic product before an individual.
517	[(96)] (95) (a) "School" means a building used primarily for the general education of
518	minors.
519	(b) "School" does not include an educational facility.
520	[(97)] (96) "Sell" or "offer for sale" means a transaction, exchange, or barter whereby,
521	for consideration, an alcoholic product is either directly or indirectly transferred, solicited,
522	ordered, delivered for value, or by a means or under a pretext is promised or obtained, whether
523	done by a person as a principal, proprietor, or as staff, unless otherwise defined in this title or

524	the rules made by the commission.
525	[(98)] (97) "Sexually oriented entertainer" means a person who while in a state of
526	seminudity appears at or performs:
527	(a) for the entertainment of one or more patrons;
528	(b) on the premises of:
529	(i) a social club licensee; or
530	(ii) a tavern;
531	(c) on behalf of or at the request of the licensee described in Subsection [(98)] (97)(b);
532	(d) on a contractual or voluntary basis; and
533	(e) whether or not the person is designated as:
534	(i) an employee;
535	(ii) an independent contractor;
536	(iii) an agent of the licensee; or
537	(iv) a different type of classification.
538	[(99)] (98) "Single event permit" means a permit issued in accordance with Chapter 9,
539	Part 3, Single Event Permit.
540	[(100)] (99) "Small brewer" means a brewer who manufactures less than 60,000 barrels
541	of beer, heavy beer, and flavored malt beverages per year.
542	[(101)] (100) "Social club license" means a license issued in accordance with Chapter
543	5, Retail License Act, and Chapter 6, Part 4, Club License, that is designated by the
544	commission as a social club license.
545	[(102)] (101) "Special use permit" means a permit issued in accordance with Chapter
546	10, Special Use Permit Act.
547	$[\frac{(103)}{(102)}]$ (a) "Spirituous liquor" means liquor that is distilled.
548	(b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
549	27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.
550	$[\frac{(104)}{(103)}]$ "Sports center" is as defined by the commission by rule.
551	[(105)] (104) (a) "Staff" means an individual who engages in activity governed by this
552	title:
553	(i) on behalf of a business, including a package agent, licensee, permittee, or certificate

554

holder;

555	(ii) at the request of the business, including a package agent, licensee, permittee, or
556	certificate holder; or
557	(iii) under the authority of the business, including a package agent, licensee, permittee,
558	or certificate holder.
559	(b) "Staff" includes:
560	(i) an officer;
561	(ii) a director;
562	(iii) an employee;
563	(iv) personnel management;
564	(v) an agent of the licensee, including a managing agent;
565	(vi) an operator; or
566	(vii) a representative.
567	[(106)] (<u>105)</u> "State of nudity" means:
568	(a) the appearance of:
569	(i) the nipple or areola of a female human breast;
570	(ii) a human genital;
571	(iii) a human pubic area; or
572	(iv) a human anus; or
573	(b) a state of dress that fails to opaquely cover:
574	(i) the nipple or areola of a female human breast;
575	(ii) a human genital;
576	(iii) a human pubic area; or
577	(iv) a human anus.
578	[(107)] (106) "State of seminudity" means a state of dress in which opaque clothing
579	covers no more than:
580	(a) the nipple and areola of the female human breast in a shape and color other than the
581	natural shape and color of the nipple and areola; and
582	(b) the human genitals, pubic area, and anus:
583	(i) with no less than the following at its widest point:
584	(A) four inches coverage width in the front of the human body; and
585	(B) five inches coverage width in the back of the human body; and

586	(ii) with coverage that does not taper to less than one inch wide at the narrowest point.
587	[(108)] (107) (a) "State store" means a facility for the sale of packaged liquor:
588	(i) located on premises owned or leased by the state; and
589	(ii) operated by a state employee.
590	(b) "State store" does not include:
591	(i) a package agency;
592	(ii) a licensee; or
593	(iii) a permittee.
594	[(109)] (108) (a) "Storage area" means an area on licensed premises where the licensee
595	stores an alcoholic product.
596	(b) "Store" means to place or maintain in a location an alcoholic product from which a
597	person draws to prepare an alcoholic product to be furnished to a patron[, except as provided in
598	Subsection 32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii), 32B-6-805(15)(b)(ii), or
599	32B-6-905(12)(b)(ii)].
600	$[\frac{(110)}{(109)}]$ "Sublicense" is as defined in Section 32B-8-102.
601	[(111)] (110) "Supplier" means a person who sells an alcoholic product to the
602	department.
603	[(112)] (111) "Tavern" means an on-premise beer retailer who is:
604	(a) issued a license by the commission in accordance with Chapter 5, Retail License
605	Act, and Chapter 6, Part 7, On-premise Beer Retailer License; and
606	(b) designated by the commission as a tavern in accordance with Chapter 6, Part 7,
607	On-premise Beer Retailer License.
608	[(113)] (112) "Temporary beer event permit" means a permit issued in accordance with
609	Chapter 9, Part 4, Temporary Beer Event Permit.
610	[(114)] (113) "Temporary domicile" means the principal place of abode within Utah of
611	a person who does not have a present intention to continue residency within Utah permanently
612	or indefinitely.
613	[(115) "Translucent" means a substance that allows light to pass through, but does not
614	allow an object or person to be seen through the substance.]
615	[(116)] (114) "Unsaleable liquor merchandise" means a container that:
616	(a) is unsaleable because the container is:

617	(i) unlabeled;
618	(ii) leaky;
619	(iii) damaged;
620	(iv) difficult to open; or
621	(v) partly filled;
622	(b) (i) has faded labels or defective caps or corks;
623	(ii) has contents that are:
624	(A) cloudy;
625	(B) spoiled; or
626	(C) chemically determined to be impure; or
627	(iii) contains:
628	(A) sediment; or
629	(B) a foreign substance; or
630	(c) is otherwise considered by the department as unfit for sale.
631	[(117)] (115) (a) "Wine" means an alcoholic product obtained by the fermentation of
632	the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or
633	not another ingredient is added.
634	(b) "Wine" is considered liquor for purposes of this title, except as otherwise provided
635	in this title.
636	[(118)] (116) "Winery manufacturing license" means a license issued in accordance
637	with Chapter 11, Part 3, Winery Manufacturing License.
638	Section 2. Section 32B-1-201 is amended to read:
639	32B-1-201. Restrictions on number of retail licenses that may be issued
640	Determining population Exempt licenses.
641	(1) As used in this section:
642	(a) "Alcohol-related law enforcement officer" means a law enforcement officer
643	employed by the Department of Public Safety that has as a primary responsibility:
644	(i) the enforcement of this title; or
645	(ii) the enforcement of Title 41, Chapter 6a, Part 5, Driving Under the Influence and
646	Reckless Driving.
647	(b) "Enforcement ratio" is the number calculated as follows:

(i) determine the quotient equal to the total number of quota retail licenses available

649	divided by the total number of alcohol-related law enforcement officers; and
650	(ii) round the number determined in accordance with Subsection (1)(b)[(ii)](i) up to the
651	nearest whole number.
652	(c) "Quota retail license" means:
653	(i) a full-service restaurant license;
654	(ii) a limited-service restaurant license;
655	(iii) a club license;
656	(iv) an on-premise banquet license;
657	(v) an on-premise beer retailer operating as a tavern; and
658	(vi) a reception center license.
659	(d) "Total number of alcohol-related law enforcement officers" means the total number
660	of positions designated as alcohol-related law enforcement officers that are funded as of a
661	specified date as certified by the Department of Public Safety to the department.
662	(e) "Total number of quota retail licenses available" means the number calculated by:
663	(i) determining as of a specified date for each quota retail license the number of
664	licenses that the commission may not exceed calculated by dividing the population of the state
665	by the number specified in the relevant provision for the quota retail license; and
666	(ii) adding together the numbers determined under Subsection (1)[(d)](e)(i).
667	(2) (a) Beginning on July 1, 2012, the department shall annually determine the
668	enforcement ratio as of July 1 of that year.
669	(b) If, beginning on July 1, 2012, the enforcement ratio is greater than $[52]$ 53 , the
670	commission may not issue a quota retail license for the 12-month period beginning on the July
671	1 for which the enforcement ratio is greater than $[52]$ $\underline{53}$.
672	(c) Notwithstanding Subsection (2)(b), the commission may issue a quota retail license
673	during the 12-month period described in Subsection (2)(b) beginning on the day on which a
674	sufficient number of alcohol-related law enforcement officers are employed so that if the
675	enforcement ratio is calculated, the enforcement ratio would be equal to or less than $[52]$ 53 .
676	(d) Once the Department of Public Safety certifies under Subsection (1)(d) the total
677	number of positions designated as alcohol-related law enforcement officers that are funded as
678	of July 1, the Department of Public Safety may not use the funding for the designated

alcohol-related law enforcement officers for a purpose other than funding those positions.

- (3) For purposes of determining the number of state stores that the commission may establish or the number of package agencies or retail licenses that the commission may issue, the commission shall determine population by:
 - (a) the most recent United States decennial or special census; or
 - (b) another population determination made by the United States or state governments.
- (4) The commission may not consider a retail license that meets the following conditions in determining the total number of licenses available for that type of retail license that the commission may issue at any time:
- 688 (a) the retail license was issued to a club licensee designated as a dining club as of July 1, 2011; and
- 690 (b) the dining club license is converted to another type of retail license in accordance 691 with Section 32B-6-409.
 - Section 3. Section **32B-5-305** is amended to read:

680

681

682

683

684

685

686

687

692

694

695

696

697

698

699

700

701

702

703

704

705

706

707

708

- 693 32B-5-305. Pricing of alcoholic product -- Other charge.
 - (1) [(a)] A retail licensee may sell, offer for sale, or furnish liquor only at a price fixed by the commission.
 - [(b) A retail licensee may not sell an alcoholic product at a discount price on any date or at any time.]
 - (2) (a) A retail licensee may not sell, offer for sale, or furnish an alcoholic product at less than the cost of the alcoholic product to the retail licensee.
 - (b) A retail licensee may not sell, offer for sale, or furnish an alcoholic product at a special or reduced price that encourages over consumption or intoxication.
 - (c) A retail licensee may not sell, offer for sale, or furnish an alcoholic product at a special or reduced price for only certain hours of the retail licensee's business day, such as a "happy hour."
 - (d) A retail licensee may not sell, offer for sale, or furnish more than one alcoholic product for the price of a single alcoholic product.
 - (e) A retail licensee may not sell, offer for sale, or furnish an indefinite or unlimited number of alcoholic products during a set period for a fixed price.
 - (f) A retail licensee may not engage in a promotion involving or offering a free

710	alcoholic product to the general public.
711	(3) As authorized by commission rule, a retail licensee may charge a patron for
712	providing:
713	(a) a service related to liquor purchased at the licensed premises; or
714	(b) wine service performed for wine carried in by a patron in accordance with Section
715	32B-5-307.
716	Section 4. Section 32B-6-205 is amended to read:
717	32B-6-205. Specific operational requirements for a full-service restaurant license.
718	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
719	Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
720	shall comply with this section.
721	(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
722	in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
723	(i) a full-service restaurant licensee;
724	(ii) individual staff of a full-service restaurant licensee; or
725	(iii) both a full-service restaurant licensee and staff of the full-service restaurant
726	licensee.
727	(2) In addition to complying with Subsection 32B-5-301(3), a full-service restaurant
728	licensee shall display in a prominent place in the restaurant a list of the types and brand names
729	of liquor being furnished through the full-service restaurant licensee's calibrated metered
730	dispensing system.
731	[(3) In addition to complying with Section 32B-5-303, a full-service restaurant licensee
732	shall store an alcoholic product in a storage area described in Subsection (12)(a).
733	[(4)] (3) (a) An individual who serves an alcoholic product in a full-service restaurant
734	licensee's premises shall make a written beverage tab for each table or group that orders or
735	consumes an alcoholic product on the premises.
736	(b) A beverage tab required by this Subsection [(4)] (3) shall list the type and amount
737	of an alcoholic product ordered or consumed.

[(6)] (5) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish

[(5)] (4) A person's willingness to serve an alcoholic product may not be made a

condition of employment as a server with a full-service restaurant licensee.

738739

741 liquor at the licensed premises on any day during the period that: 742 (i) begins at midnight; and 743 (ii) ends at 11:29 a.m. 744 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer during the 745 hours specified in Part 7, On-premise Beer Retailer License, for an on-premise beer retailer, 746 except that a full-service restaurant licensee may not sell, offer for sale, or furnish beer before 747 11:30 a.m. on any day. [(7)] (6) A full-service restaurant licensee shall maintain at least 70% of its total 748 749 restaurant business from the sale of food, which does not include: 750 (a) mix for an alcoholic product; or 751 (b) a service charge. 752 [(8)] (7) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an 753 alcoholic product except in connection with an order for food prepared, sold, and furnished at 754 the licensed premises. 755 (b) A full-service restaurant licensee shall maintain on the licensed premises adequate 756 culinary facilities for food preparation and dining accommodations. 757 [(9)] (8) (a) Subject to the other provisions of this Subsection [(9)] (8), a patron may 758 not have more than two alcoholic products of any kind at a time before the patron. 759 (b) A patron may not have more than one spirituous liquor drink at a time before the 760 patron. (c) An individual portion of wine is considered to be one alcoholic product under 761 762 Subsection [(9)] (8)(a). 763 [(10)] (9) A patron may consume an alcoholic product only: 764 (a) at: 765 (i) the patron's table; 766 (ii) a counter; or

(iii) a seating grandfathered bar structure; and

structure that is not a seating grandfathered bar structure.

(b) where food is served.

767

768

769

770

771

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

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

772	(b) At a seating grandfathered bar structure a patron who is 21 years of age or older
773	may:
774	(i) sit;
775	(ii) be furnished an alcoholic product; and
776	(iii) consume an alcoholic product.
777	(c) Except as provided in Subsection [(11)] (10)(d), at a seating grandfathered bar
778	structure a full-service restaurant licensee may not permit a minor to, and a minor may not:
779	(i) sit; or
780	(ii) consume food or beverages.
781	(d) (i) A minor may be at a seating grandfathered bar structure if the minor is employed
782	by a full-service restaurant licensee:
783	(A) as provided in Subsection 32B-5-308(2); or
784	(B) to perform maintenance and cleaning services during an hour when the full-service
785	restaurant licensee is not open for business.
786	(ii) A minor may momentarily pass by a seating grandfathered bar structure without
787	remaining or sitting at the bar structure en route to an area of a full-service restaurant licensee's
788	premises in which the minor is permitted to be.
789	[(12) Except as provided in Subsection 32B-5-307(3), a full-service restaurant licensee
790	may dispense an alcoholic product only if:]
791	[(a) the alcoholic product is dispensed from:]
792	[(i) a grandfathered bar structure;]
793	[(ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
794	the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
795	12, 2009; or]
796	[(iii) an area that is:]
797	[(A) separated from an area for the consumption of food by a patron by a solid,
798	translucent, permanent structural barrier such that the facilities for the storage or dispensing of
799	an alcoholic product are:]
800	[(I) not readily visible to a patron; and]
801	[(II) not accessible by a patron; and]
802	(B) apart from an area used:

803	[(I) for dining;]
804	[(H) for staging; or]
805	[(III) as a lobby or waiting area;]
806	[(b) the full-service restaurant licensee uses an alcoholic product that is:]
807	[(i) stored in an area described in Subsection (12)(a); or]
808	[(ii) in an area not described in Subsection (12)(a) on the licensed premises and:]
809	[(A) immediately before the alcoholic product is dispensed it is in an unopened
810	container;]
811	[(B) the unopened container is taken to an area described in Subsection (12)(a) before
812	it is opened; and]
813	[(C) once opened, the container is stored in an area described in Subsection (12)(a);
814	and]
815	[(c) any instrument or equipment used to dispense alcoholic product is located in an
816	area described in Subsection (12)(a).]
817	[(13)] (11) A full-service restaurant licensee may state in a food or alcoholic product
818	menu a charge or fee made in connection with the sale, service, or consumption of liquor
819	including:
820	(a) a set-up charge;
821	(b) a service charge; or
822	(c) a chilling fee.
823	Section 5. Section 32B-6-305 is amended to read:
824	32B-6-305. Specific operational requirements for a limited-service restaurant
825	license.
826	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
827	Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
828	licensee shall comply with this section.
829	(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
830	in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
831	(i) a limited-service restaurant licensee;
832	(ii) individual staff of a limited-service restaurant licensee; or
833	(iii) both a limited-service restaurant licensee and staff of the limited-service restaurant

834

licensee.

835	(2) (a) A limited-service restaurant licensee on the licensed premises may not sell, offer
836	for sale, furnish, or allow consumption of:
837	(i) spirituous liquor; or
838	(ii) a flavored malt beverage.
839	(b) A product listed in Subsection (2)(a) may not be on the premises of a
840	limited-service restaurant licensee except for use:
841	(i) as a flavoring on a dessert; and
842	(ii) in the preparation of a flaming food dish, drink, or dessert.
843	[(3) In addition to complying with Section 32B-5-303, a limited-service restaurant
844	licensee shall store an alcoholic product in a storage area described in Subsection (12)(a).]
845	[(4)] (3) (a) An individual who serves an alcoholic product in a limited-service
846	restaurant licensee's premises shall make a written beverage tab for each table or group that
847	orders or consumes an alcoholic product on the premises.
848	(b) A beverage tab required by this Subsection [(4)] (3) shall list the type and amount
849	of an alcoholic product ordered or consumed.
850	[(5)] (4) A person's willingness to serve an alcoholic product may not be made a
851	condition of employment as a server with a limited-service restaurant licensee.
852	[(6)] (5) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish
853	wine or heavy beer at the licensed premises on any day during the period that:
854	(i) begins at midnight; and
855	(ii) ends at 11:29 a.m.
856	(b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer during
857	the hours specified in Part 7, On-premise Beer Retailer License, for an on-premise beer retailer,
858	except that a limited-service restaurant licensee may not sell, offer for sale, or furnish beer
859	before 11:30 a.m. on any day.
860	[(7)] <u>(6)</u> A limited-service restaurant licensee shall maintain at least 70% of its total
861	restaurant business from the sale of food, which does not include a service charge.
862	[(8)] (7) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish
863	an alcoholic product except in connection with an order for food prepared, sold, and furnished
864	at the licensed premises.

865	(b) A limited-service restaurant licensee shall maintain on the licensed premises
866	adequate culinary facilities for food preparation and dining accommodations.
867	[(9)] (8) (a) Subject to the other provisions of this Subsection $[(9)]$ (8), a patron may
868	not have more than two alcoholic products of any kind at a time before the patron.
869	(b) An individual portion of wine is considered to be one alcoholic product under
870	Subsection $\left[\frac{(9)}{(8)}\right]$ (8)(a).
871	[(10)] (9) A patron may consume an alcoholic product only:
872	(a) at:
873	(i) the patron's table;
874	(ii) a counter; or
875	(iii) a seating grandfathered bar structure; and
876	(b) where food is served.
877	[(11)] (10) (a) A limited-service restaurant licensee may not sell, offer for sale, or
878	furnish an alcoholic product to a patron, and a patron may not consume an alcoholic product at
879	a bar structure that is not a seating grandfathered bar structure.
880	(b) At a seating grandfathered bar structure a patron who is 21 years of age or older
881	may:
882	(i) sit;
883	(ii) be furnished an alcoholic product; and
884	(iii) consume an alcoholic product.
885	(c) Except as provided in Subsection [(11)] (10)(d), at a seating grandfathered bar
886	structure a limited-service restaurant licensee may not permit a minor to, and a minor may not:
887	(i) sit; or
888	(ii) consume food or beverages.
889	(d) (i) A minor may be at a seating grandfathered bar structure if the minor is employed
890	by a limited-service restaurant licensee:
891	(A) as provided in Subsection 32B-5-308(2); or
892	(B) to perform maintenance and cleaning services during an hour when the
893	limited-service restaurant licensee is not open for business.
894	(ii) A minor may momentarily pass by a seating grandfathered bar structure without
895	remaining or sitting at the bar structure en route to an area of a limited-service restaurant

896	licensee's premises in which the minor is permitted to be.
897	[(12) Except as provided in Subsection 32B-5-307(3), a limited-service restaurant
898	licensee may dispense an alcoholic product only if:]
899	[(a) the alcoholic product is dispensed from:]
900	[(i) a grandfathered bar structure;]
901	[(ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
902	the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
903	12, 2009; or]
904	[(iii) an area that is:]
905	[(A) separated from an area for the consumption of food by a patron by a solid,
906	translucent, permanent structural barrier such that the facilities for the storage or dispensing of
907	an alcoholic product are:]
908	[(I) not readily visible to a patron; and]
909	[(II) not accessible by a patron; and]
910	[(B) apart from an area used:]
911	[(I) for dining;]
912	[(H) for staging; or]
913	[(HII) as a lobby or waiting area;]
914	[(b) the limited-service restaurant licensee uses an alcoholic product that is:]
915	[(i) stored in an area described in Subsection (12)(a); or]
916	[(ii) in an area not described in Subsection (12)(a) on the licensed premises and:]
917	[(A) immediately before the alcoholic product is dispensed it is in an unopened
918	container;]
919	[(B) the unopened container is taken to an area described in Subsection (12)(a) before
920	it is opened; and]
921	[(C) once opened, the container is stored in an area described in Subsection (12)(a);
922	and]
923	[(c) any instrument or equipment used to dispense alcoholic product is located in an
924	area described in Subsection (12)(a).]
925	[(13)] (11) A limited-service restaurant licensee may state in a food or alcoholic
926	product menu a charge or fee made in connection with the sale, service, or consumption of

927	wine or heavy beer including:
928	(a) a set-up charge;
929	(b) a service charge; or
930	(c) a chilling fee.
931	Section 6. Section 32B-6-403 is amended to read:
932	32B-6-403. Commission's power to issue club license.
933	(1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
934	an alcoholic product on its premises as a club licensee, the person shall first obtain a club
935	license from the commission in accordance with this part.
936	(2) The commission may issue a club license to establish club licensed premises at
937	places and in numbers the commission considers proper for the storage, sale, offer for sale,
938	furnishing, and consumption of an alcoholic product on premises operated by a club licensee.
939	(3) Subject to Section 32B-1-201:
940	(a) The commission may not issue a total number of club licenses that at any time
941	exceeds the number determined by dividing the population of the state by [7,850] 7,000.
942	(b) The commission may issue a seasonal club license in accordance with Section
943	32B-5-206 to:
944	(i) a dining club licensee; or
945	(ii) a social club licensee.
946	(c) (i) If the location, design, and construction of a hotel may require more than one
947	dining club license or social club license location within the hotel to serve the public
948	convenience, the commission may authorize as many as three club license locations within the
949	hotel under one club license if:
950	(A) the hotel has a minimum of 150 guest rooms; and
951	(B) all locations under the club license are:
952	(I) within the same hotel; and
953	(II) on premises that are managed or operated, and owned or leased, by the club
954	licensee.
955	(ii) A facility other than a hotel shall have a separate club license for each club license
956	location where an alcoholic product is sold, offered for sale, or furnished.
957	(d) When a business establishment undergoes a change of ownership, the commission

may issue a club license to the new owner of the business establishment notwithstanding that there is no club license available under Subsection (3)(a) if:

- (i) the primary business activity at the business establishment before and after the change of ownership is not the sale, offer for sale, or furnishing of an alcoholic product;
- (ii) before the change of ownership there are two or more licensed premises on the business establishment that operate under a retail license, with at least one of the retail licenses being a club license;
- (iii) subject to Subsection (3)(e), the licensed premises of the club license issued under this Subsection (3)(d) is at the same location where the club license licensed premises was located before the change of ownership; and
- (iv) the person who is the new owner of the business establishment qualifies for the club license, except for there being no club license available under Subsection (3)(a).
- (e) If a club licensee of a club license issued under Subsection (3)(d) requests a change of location, the club licensee may retain the club license after the change of location only if on the day on which the club licensee seeks a change of location a club license is available under Subsection (3)(a).
 - Section 7. Section **32B-6-703** is amended to read:

32B-6-703. Commission's power to issue on-premise beer retailer license.

- (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of beer on the premises as an on-premise beer retailer, the person shall first obtain an on-premise beer retailer license from the commission in accordance with this part.
- (2) (a) The commission may issue an on-premise beer retailer license to establish on-premise beer retailer licensed premises at places and in numbers as the commission considers proper for the storage, sale, offer for sale, furnishing, and consumption of beer on premises operated as an on-premise beer retailer.
- (b) At the time that the commission issues an on-premise beer retailer license, the commission shall designate whether the on-premise beer retailer is a tavern.
- (c) The commission may change its designation of whether an on-premise beer retailer is a tavern in accordance with rules made by the commission.
- (d) (i) In determining whether an on-premise beer retailer is a tavern, the commission shall determine whether the on-premise beer retailer will engage primarily in the retail sale of

989	beer for consumption on the establishment's premises.
990	(ii) In making a determination under this Subsection (2)(d), the commission shall
991	consider:
992	(A) whether the on-premise beer retailer will operate as one of the following:
993	(I) a beer bar;
994	(II) a parlor;
995	(III) a lounge;
996	(IV) a cabaret; or
997	(V) a nightclub;
998	(B) if the on-premise beer retailer will operate as described in Subsection (2)(d)(ii)(A):
999	(I) whether the on-premise beer retailer will sell food in the establishment; and
1000	(II) if the on-premise beer retailer sells food, whether the revenue from the sale of beer
1001	will exceed the revenue of the sale of food;
1002	(C) whether full meals including appetizers, main courses, and desserts will be served;
1003	(D) the square footage and seating capacity of the premises;
1004	(E) what portion of the square footage and seating capacity will be used for a dining
1005	area in comparison to the portion that will be used as a lounge or bar area;
1006	(F) whether the person will maintain adequate on-premise culinary facilities to prepare
1007	full meals, except a person that is located on the premises of a hotel or resort facility may use
1008	the culinary facilities of the hotel or resort facility;
1009	(G) whether the entertainment provided on the premises of the beer retailer will be
1010	suitable for minors; and
1011	(H) the beer retailer management's ability to manage and operate an on-premise beer
1012	retailer license including:
1013	(I) management experience;
1014	(II) past beer retailer management experience; and
1015	(III) the type of management scheme that will be used by the beer retailer.
1016	(e) On or after March 1, 2012:
1017	(i) To be licensed as an on-premise beer retailer that is not a tavern, a person shall:
1018	(A) maintain at least 70% of the person's total gross revenues from business directly

related to a recreational amenity on or directly adjoining the licensed premises of the beer

1000	. • •	
1020	retailer:	α r
1020	ictanci.	, OI

1024

1025

1026

1032

1033

1034

1035

1036

1037

1038

1039

1040

1041

1042

1043

1044

1045

1046

1047

1048

1021 (B) have a recreational amenity on or directly adjoining the licensed premises of the beer retailer and maintain at least 70% of the person's total gross revenues from the sale of food.

- (ii) The commission may not license a person as an on-premise beer retailer if the person does not:
 - (A) meet the requirements of Subsection (2)(e)(i); or
- (B) operate as a tavern.
- 1028 (iii) (A) A person licensed as an on-premise beer retailer that is not a tavern as of July
 1029 1, 2011 shall notify the department by no later than August 1, 2011, whether effective March 1,
 1030 2012, the person will seek to be licensed as a beer-only restaurant licensee, a tavern, or an
 1031 on-premise beer retailer that meets the requirements of Subsection (2)(e)(i).
 - (B) If an on-premise beer retailer fails to notify the department as required by Subsection (2)(e)(iii)(A), the on-premise beer retailer's license expires as of February 29, 2012, and to operate as an on-premise beer retailer after February 29, 2012, the on-premise beer retailer is required to apply as a new licensee, and any bar or bar structure on the premises of an on-premise beer retailer license that is not a tavern and does not meet the requirements of Subsection (2)(e)(i) will not be grandfathered under Subsection 32B-6-902(1).
 - [(iv) A person who, after August 1, 2011, applies for an on-premise beer retailer license that is not a tavern and does not meet the requirements of Subsection (2)(e)(i), may not have or construct facilities for the dispensing or storage of an alcoholic product that do not meet the requirements of Subsection 32B-6-905(12)(a)(ii).]
 - (3) Subject to Section 32B-1-201:
 - (a) The commission may not issue a total number of on-premise beer retailer licenses that are taverns that at any time exceeds the number determined by dividing the population of the state by 54,147.
 - (b) The commission may issue a seasonal on-premise beer retailer license for a tavern in accordance with Section 32B-5-206.
 - (4) (a) Unless otherwise provided in Subsection (4)(b):
- 1049 (i) only one on-premise beer retailer license is required for each building or resort 1050 facility owned or leased by the same person; and

1051 (ii) a separate license is not required for each retail beer dispensing location in the same building or on the same resort premises owned or operated by the same person. 1052 1053 (b) (i) Subsection (4)(a) applies only if each retail beer dispensing location in the 1054 building or resort facility operates in the same manner. 1055 (ii) If each retail beer dispensing location does not operate in the same manner: 1056 (A) one on-premise beer retailer license designated as a tavern is required for the 1057 locations in the same building or on the same resort premises that operate as a tavern; and 1058 (B) one on-premise beer retailer license is required for the locations in the same 1059 building or on the same resort premises that do not operate as a tavern. 1060 Section 8. Section **32B-6-805** is amended to read: 1061 32B-6-805. Specific operational requirements for a reception center license. 1062 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational 1063 Requirements, a reception center licensee and staff of the reception center licensee shall 1064 comply with this section. 1065 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against: 1066 (i) a reception center licensee; 1067 1068 (ii) individual staff of a reception center licensee; or 1069 (iii) both a reception center licensee and staff of the reception center licensee. 1070 (2) In addition to complying with Section 32B-5-303, a reception center licensee shall 1071 store an alcoholic product in a storage area described in Subsection (15)(a). 1072 $\frac{(3)}{(2)}$ (a) For the purpose described in Subsection $\frac{(3)}{(2)}$ (b), a reception center 1073 licensee shall provide the following with advance notice of a scheduled event in accordance 1074 with rules made by the commission: 1075 (i) the department; and 1076 (ii) the local law enforcement agency responsible for the enforcement of this title in the jurisdiction where the reception center is located. 1077 1078 (b) Any of the following may conduct a random inspection of an event: 1079 (i) an authorized representative of the commission or the department; or 1080 (ii) a law enforcement officer. 1081 [(4)] (3) (a) Except as otherwise provided in this title, a reception center licensee may

sell, offer for sale, or furnish an alcoholic product at an event only for consumption at the reception center's licensed premises.

- (b) A host of an event, a patron, or a person other than the reception center licensee or staff of the reception center licensee, may not remove an alcoholic product from the reception center's licensed premises.
- (c) Notwithstanding Section 32B-5-307, a patron at an event may not bring an alcoholic product into or onto, or remove an alcoholic product from, the reception center.
- [(5)] (4) (a) A reception center licensee may not leave an unsold alcoholic product at an event following the conclusion of the event.
 - (b) At the conclusion of an event, a reception center licensee shall:
- (i) destroy an opened and unused alcoholic product that is not saleable, under conditions established by the department; and
 - (ii) return to the reception center licensee's approved locked storage area any:
 - (A) opened and unused alcoholic product that is saleable; and
 - (B) unopened container of an alcoholic product.
- (c) Except as provided in Subsection [(5)] (4)(b) with regard to an open or sealed container of an alcoholic product not sold or consumed at an event, a reception center licensee[: (i) shall store the alcoholic product in accordance with Subsection (2); and (ii)] may use the alcoholic product at more than one event.
- [(6)] (5) Notwithstanding Section 32B-5-308, a reception center licensee may not employ a minor in connection with an event at the reception center at which food is not made available.
- [(7)] (6) A person's willingness to serve an alcoholic product may not be made a condition of employment as a server with a reception center licensee.
- [(8)] (7) A reception center licensee may not sell, offer for sale, or furnish an alcoholic product at the licensed premises on any day during the period that:
 - (a) begins at 1 a.m.; and
- 1109 (b) ends at 9:59 a.m.

10821083

1084

1085

1086

1087

1088

1089

1090

1091

10921093

1094

1095

1096

1097

1098

1099

1100

1101

1102

1103

1104

1105

1106

1107

- 1110 [(9)] (8) A reception center licensee may not maintain in excess of 30% of its total 1111 annual receipts from the sale of an alcoholic product, which includes:
- 1112 (a) mix for an alcoholic product; or

1113	(b) a charge in connection with the furnishing of an alcoholic product.
1114	[(10)] (9) A reception center licensee may not sell, offer for sale, or furnish an
1115	alcoholic product at an event at which a minor is present unless the reception center licensee
1116	makes food available at all times when an alcoholic product is sold, offered for sale, furnished,
1117	or consumed during the event.
1118	[(11)] (10) (a) Subject to the other provisions of this Subsection $[(11)]$ (10), a patron
1119	may not have more than two alcoholic products of any kind at a time before the patron.
1120	(b) An individual portion of wine is considered to be one alcoholic product under
1121	Subsection $[(11)]$ (10) (a).
1122	[(12)] (11) (a) A reception center licensee shall supervise and direct a person involved
1123	in the sale, offer for sale, or furnishing of an alcoholic product.
1124	(b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
1125	shall complete an alcohol training and education seminar.
1126	[(13)] (12) A staff person of a reception center licensee shall remain at an event at all
1127	times when an alcoholic product is sold, offered for sale, furnished, or consumed at the event.
1128	[(14)] (13) A reception center licensee may not sell, offer for sale, or furnish an
1129	alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar
1130	structure.
1131	[(15) Except as provided in Subsection (16), a reception center licensee may dispense
1132	an alcoholic product only if:]
1133	[(a) the alcoholic product is dispensed from an area that is:]
1134	[(i) separated from an area for the consumption of food by a patron by a solid,
1135	translucent, permanent structural barrier such that the facilities for the storage or dispensing of
1136	an alcoholic product are:]
1137	[(A) not readily visible to a patron; and]
1138	[(B) not accessible by a patron; and]
1139	[(ii) apart from an area used:]
1140	[(A) for staging; or]
1141	[(B) as a lobby or waiting area;]
1142	[(b) the reception center licensee uses an alcoholic product that is:]
1143	[(i) stored in an area described in Subsection (15)(a); or]

1144	[(ii) in an area not described in Subsection (15)(a) on the licensed premises and:]
1145	[(A) immediately before the alcoholic product is dispensed it is in an unopened
1146	container;]
1147	[(B) the unopened container is taken to an area described in Subsection (15)(a) before
1148	it is opened; and]
1149	[(C) once opened, the container is stored in an area described in Subsection (15)(a);
1150	and]
1151	[(c) any instrument or equipment used to dispense an alcoholic product is located in an
1152	area described in Subsection (15)(a).]
1153	[(16) A reception center licensee may dispense an alcoholic product from a mobile
1154	serving area that:]
1155	[(a) is moved only by staff of the reception center licensee;]
1156	[(b) is capable of being moved by only one individual; and]
1157	[(c) is no larger than 6 feet long and 30 inches wide.]
1158	[(17)] (14) (a) A reception center licensee may not have an event on the licensed
1159	premises except pursuant to a contract between a third party host of the event and the reception
1160	center licensee under which the reception center licensee provides an alcoholic product sold,
1161	offered for sale, or furnished at an event.
1162	(b) At an event, a reception center licensee may furnish an alcoholic product:
1163	(i) without charge to a patron, except that the third party host of the event shall pay for
1164	an alcoholic product furnished at the event; or
1165	(ii) with a charge to a patron at the event.
1166	[(18)] (15) A reception center licensee shall have culinary facilities that are:
1167	(a) adequate to prepare a full meal; and
1168	(b) (i) located on the licensed premises; or
1169	(ii) under the same control as the reception center licensee.
1170	Section 9. Section 32B-6-902 (Effective 03/01/12) is amended to read:
1171	32B-6-902 (Effective 03/01/12). Definitions.
1172	(1) (a) As used in this part, "grandfathered bar structure" means a bar structure in a
1173	licensed premises of a beer-only restaurant licensee that:
1174	(i) was licensed as an on-premise beer retailer as of August 1, 2011, and as of August

11/3	1, 2011:
1176	(A) is operational; <u>and</u>
1177	[(B) has facilities for the dispensing or storage of an alcoholic product that do not meet
1178	the requirements of Subsection 32B-6-905(12)(a)(ii); and]
1179	[(C)] (B) in accordance with Subsection 32B-6-703(2)(e), notifies the department that
1180	effective March 1, 2012, the on-premise beer retailer licensee will seek to be licensed as a
1181	beer-only restaurant; or
1182	(ii) is a bar structure grandfathered under Section 32B-6-409.
1183	(b) "Grandfathered bar structure" does not include a grandfathered bar structure
1184	described in Subsection (1)(a) on or after the day on which a restaurant remodels the
1185	grandfathered bar structure, as defined by rule made by the commission.
1186	(2) Subject to Subsection (1)(b), a grandfathered bar structure remains a grandfathered
1187	bar structure notwithstanding whether a restaurant undergoes a change of ownership.
1188	Section 10. Section 32B-6-905 (Effective 03/01/12) is amended to read:
1189	32B-6-905 (Effective 03/01/12). Specific operational requirements for a beer-only
1190	restaurant license.
1191	(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
1192	Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
1193	shall comply with this section.
1194	(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
1195	in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
1196	(i) a beer-only restaurant licensee;
1197	(ii) individual staff of a beer-only restaurant licensee; or
1198	(iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.
1199	(2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
1200	sale, furnish, or allow consumption of liquor.
1201	(b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:
1202	(i) as a flavoring on a dessert; and
1203	(ii) in the preparation of a flaming food dish, drink, or dessert.
1204	[(3) In addition to complying with Section 32B-5-303, a beer-only restaurant licensee
1205	shall store heer in a storage area described in Subsection (12)(a)

1206	[(4)] (3) (a) An individual who serves beer in a beer-only restaurant licensee's premises
1207	shall make a written beverage tab for each table or group that orders or consumes an alcoholic
1208	product on the premises.
1209	(b) A beverage tab required by this Subsection [(4)] (3) shall list the type and amount
1210	of beer ordered or consumed.
1211	$[\frac{5}{2}]$ (4) A person's willingness to serve beer may not be made a condition of
1212	employment as a server with a beer-only restaurant licensee.
1213	[(6)] (5) A beer-only restaurant licensee may sell, offer for sale, or furnish beer during
1214	the hours specified in Part 7, On-premise Beer Retailer License, for an on-premise beer retailer,
1215	except that a beer-only restaurant licensee may not sell, offer for sale, or furnish beer before
1216	11:30 a.m. on any day.
1217	[(7)] (6) A beer-only restaurant licensee shall maintain at least 70% of its total
1218	restaurant business from the sale of food, which does not include a service charge.
1219	[(8)] (7) (a) A beer-only restaurant may not sell, offer for sale, or furnish beer except in
1220	connection with an order for food prepared, sold, and furnished at the licensed premises.
1221	(b) A beer-only restaurant shall maintain on the licensed premises adequate culinary
1222	facilities for food preparation and dining accommodations.
1223	[(9)] (8) A patron may not have more than two beers at a time before the patron.
1224	[(10)] (9) A patron may consume a beer only:
1225	(a) at:
1226	(i) the patron's table;
1227	(ii) a grandfathered bar structure; or
1228	(iii) a counter; and
1229	(b) where food is served.
1230	[(11)] (10) (a) A beer-only restaurant licensee may not sell, offer for sale, or furnish a
1231	beer to a patron, and a patron may not consume an alcoholic product at a bar structure.
1232	(b) Notwithstanding Subsection [(11)] (10)(a), at a grandfathered bar structure, a
1233	patron who is 21 years of age or older may:
1234	(i) sit;
1235	(ii) be furnished a beer; and
1236	(iii) consume a beer.

1237	(c) Except as provided in Subsection [(11)] (10)(d), at a grandfathered bar structure, a
1238	beer-only restaurant licensee may not permit a minor to, and a minor may not:
1239	(i) sit; or
1240	(ii) consume food or beverages.
1241	(d) (i) A minor may be at a grandfathered bar structure if the minor is employed by a
1242	beer-only restaurant licensee:
1243	(A) as provided in Subsection 32B-5-308(2); or
1244	(B) to perform maintenance and cleaning services during an hour when the beer-only
1245	restaurant licensee is not open for business.
1246	(ii) A minor may momentarily pass by a grandfathered bar structure without remaining
1247	or sitting at the bar structure en route to an area of a beer-only restaurant licensee's premises in
1248	which the minor is permitted to be.
1249	[(12) A beer-only restaurant licensee may dispense a beer only if:]
1250	[(a) the beer is dispensed from an area that is:]
1251	[(i) a grandfathered bar structure; or]
1252	[(ii) separated from an area for the consumption of food by a patron by a solid,
1253	translucent, permanent structural barrier such that the facilities for the storage or dispensing of
1254	an alcoholic product are not readily visible to a patron, not accessible by a patron, and apart
1255	from an area used for dining, for staging, or as a lobby or waiting area;]
1256	[(b) the beer-only restaurant licensee uses a beer that is:]
1257	[(i) stored in an area described in Subsection (12)(a); or]
1258	[(ii) in an area not described in Subsection (12)(a) on the licensed premises and:]
1259	[(A) immediately before the beer is dispensed it is in an unopened container;]
1260	[(B) the unopened container is taken to an area described in Subsection (12)(a) before
1261	it is opened; and]
1262	[(C) once opened, the container is stored in an area described in Subsection (12)(a);
1263	and]
1264	[(c) any instrument or equipment used to dispense the beer is located in an area
1265	described in Subsection (12)(a).

Legislative Review Note as of 2-7-12 4:24 PM

Office of Legislative Research and General Counsel