

**Representative V. Lowry Snow** proposes the following substitute bill:

**DRAMSHOP AMENDMENTS**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: V. Lowry Snow**

Senate Sponsor: Todd Weiler

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**LONG TITLE**

**General Description:**

This bill modifies the Alcoholic Beverage Control Act to address dramshop insurance.

**Highlighted Provisions:**

This bill:

- ▶ modifies language addressing the amount of dramshop coverage a retail licensee is required to carry;
- ▶ provides a transition process; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2014.

This bill provides revisor instructions.

**Utah Code Sections Affected:**

AMENDS:

**32B-5-201**, as enacted by Laws of Utah 2010, Chapter 276

**32B-8-202**, as last amended by Laws of Utah 2011, Chapter 334

**Utah Code Sections Affected by Revisor Instructions:**



26 [32B-5-201](#), as enacted by Laws of Utah 2010, Chapter 276

27 [32B-8-202](#), as last amended by Laws of Utah 2011, Chapter 334

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

30 Section 1. Section [32B-5-201](#) is amended to read:

31 **[32B-5-201. Application requirements for retail license.](#)**

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

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

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

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

39 (b) a nonrefundable application fee in the amount specified in the relevant part under  
40 Chapter 6, Specific Retail License Act, for the type of retail license for which the person is  
41 applying;

42 (c) an initial license fee:

43 (i) in the amount specified in the relevant part under Chapter 6, Specific Retail License  
44 Act, for the type of retail license for which the person is applying; and

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

46 (d) written consent of the local authority;

47 (e) a copy of the person's current business license;

48 (f) evidence of proximity to any community location, with proximity requirements  
49 being governed by Section [32B-1-202](#);

50 (g) a bond as specified by Section [32B-5-204](#);

51 (h) a floor plan, and boundary map where applicable, of the premises of the retail  
52 license, including any:

53 (i) consumption area; and

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

56 (i) evidence that the retail licensee is carrying public liability insurance in an amount

57 and form satisfactory to the department;

58 (j) subject to Subsection (5), evidence that the retail licensee is carrying dramshop  
59 insurance coverage of at least \$1,000,000 per [occurrence and] person, \$2,000,000 [in the  
60 aggregate] per occurrence, and \$2,000,000 per year aggregate;

61 (k) a signed consent form stating that the retail licensee will permit any authorized  
62 representative of the commission, department, or any law enforcement officer to have  
63 unrestricted right to enter the premises of the retail licensee;

64 (l) if the person is an entity, proper verification evidencing that a person who signs the  
65 application is authorized to sign on behalf of the entity; and

66 (m) any other information the commission or department may require.

67 (3) The commission may not issue a retail license to a person who:

68 (a) is disqualified under Section 32B-1-304; or

69 (b) is not lawfully present in the United States.

70 (4) Unless otherwise provided in the relevant part under Chapter 6, Specific Retail  
71 License Act, the commission may not issue a retail license to a person if the licensed premises  
72 does not meet the proximity requirements of Section 32B-1-202.

73 (5) (a) On or after July 1, 2014, a retail licensee shall comply with the changes made in  
74 this bill related to dramshop insurance coverage as follows:

75 (i) for an initial retail license, at the time the application is submitted for the new retail  
76 license; and

77 (ii) for a renewal of a retail license, at the time the retail licensee renews its insurance  
78 policy that includes dramshop insurance coverage or obtains a new insurance policy that  
79 includes dramshop insurance coverage, but by no later than July 1, 2015.

80 (b) The department shall include in its notification of the time to renew a retail license,  
81 a notice of the new dramshop insurance coverage amounts in this bill.

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

83 **32B-8-202. Specific licensing requirements for resort license.**

84 (1) To obtain a resort license, in addition to complying with Chapter 5, Part 2, Retail  
85 Licensing Process, a person shall submit with the written application:

86 (a) the current business license for each sublicense, if the business license is separate  
87 from the person's business license;

88 (b) evidence:  
89 (i) of proximity of the resort building to any community location, with proximity  
90 requirements being governed by Section 32B-1-202;  
91 (ii) that each of the four or more sublicense premises is entirely within the boundaries  
92 of the resort building; and  
93 (iii) that the building designated in the application as the resort building qualifies as a  
94 resort building;  
95 (c) a description and boundary map of the resort building;  
96 (d) a description, floor plan, and boundary map of each sublicense premises  
97 designating:  
98 (i) any location at which the person proposes that an alcoholic product be stored; and  
99 (ii) a designated location on the sublicense premises from which the person proposes  
100 that an alcoholic product be sold, furnished, or consumed;  
101 (e) Subject to Subsection (6), evidence that the resort license person carries dramshop  
102 insurance coverage equal to the sum of at least \$1,000,000 per ~~[occurrence and]~~ person,  
103 \$2,000,000 ~~[in the aggregate]~~ per occurrence, and \$2,000,000 per year aggregate, to cover both  
104 the general resort license and each sublicense; and  
105 (f) a signed consent form stating that the person will permit any authorized  
106 representative of the commission, department, or any law enforcement officer to have  
107 unrestricted right to enter the boundary of the resort building and each sublicense premises.  
108 (2) (a) A resort license expires on October 31 of each year.  
109 (b) To renew a person's resort license, the person shall comply with the requirements of  
110 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.  
111 (3) (a) The nonrefundable application fee for a resort license is \$300.  
112 (b) The initial license fee for a resort license is calculated as follows:  
113 (i) \$10,000 if four sublicenses are being applied for under the resort license; or  
114 (ii) if more than four sublicenses are being applied for under the resort license, the sum  
115 of:  
116 (A) \$10,000; and  
117 (B) \$2,000 for each sublicense in excess of four sublicenses for which the person is  
118 applying.

119 (c) The renewal fee for a resort license is \$1,000 for each sublicense under the resort  
120 license.

121 (4) (a) The bond amount required for a resort license is the penal sum of \$25,000.

122 (b) A resort licensee is not required to have a separate bond for each sublicense, except  
123 that the aggregate of the bonds posted by the resort licensee shall cover each sublicense under  
124 the resort license.

125 (5) The commission may not issue a resort license for a resort building that does not  
126 meet the proximity requirements of Section [32B-1-202](#).

127 (6) (a) On or after July 1, 2014, a resort licensee shall comply with the changes made in  
128 this bill related to dramshop insurance coverage as follows:

129 (i) for an initial resort license, at the time the application is submitted for the new  
130 resort license; and

131 (ii) for a renewal of a resort license, at the time the resort licensee renews its insurance  
132 policy that includes dramshop insurance coverage or obtains a new insurance policy that  
133 includes dramshop insurance coverage, but by no later than July 1, 2015.

134 (b) The department shall include in its notification of the time to renew a resort license,  
135 a notice of the new dramshop insurance coverage amounts in this bill.

136 Section 3. **Effective date.**

137 This bill takes effect on July 1, 2014.

138 Section 4. **Revisor instructions.**

139 The Legislature intends that the Office of Legislative Research and General Counsel, in  
140 preparing the Utah Code database for publication, replace the language in Subsections  
141 [32B-5-201](#)(5) and [32B-8-202](#)(6), from "this bill" with the bill's designated chapter and section  
142 number in the Laws of Utah.