

1 **ALCOHOLIC BEVERAGE CONTROL ACT AMENDMENTS**

2 2022 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Jerry W. Stevenson**

5 House Sponsor: Steve Waldrip

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions of the Alcoholic Beverage Control Act and provisions
10 related to the Act.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ defines and amends terms;
- 14 ▶ amends proximity requirements for certain arena licensees;
- 15 ▶ amends provisions of the Malted Beverage Act regarding:
 - 16 • labeling and packaging; and
 - 17 • the power of the commission and department to classify flavored malt
- 18 beverages;
- 19 ▶ amends the time period in which a retail manager is required to complete a certain
- 20 training program;
- 21 ▶ changes the name of the "Department of Alcoholic Beverage Control" to the
- 22 "Department of Alcoholic Beverage Services";
- 23 ▶ changes the name of the "Alcoholic Beverage Control Commission" to the
- 24 "Alcoholic Beverage Services Commission";
- 25 ▶ changes the name of the "Alcoholic Beverage Control Advisory Board" to the
- 26 "Alcoholic Beverage Services Advisory Board";
- 27 ▶ amends provisions related to the late renewal of a license;



- 28 ▶ amends provisions regarding the liquor control fund;
- 29 ▶ amends provisions regarding the calculation of manufacturer production for school
- 30 lunch program markup purposes;
- 31 ▶ requires a package agency to submit any information the commission or department
- 32 may require for the renewal of a package agency agreement;
- 33 ▶ permits a package agency located at a manufacturing facility to, under certain
- 34 conditions, remain open on a Sunday or on a state or federal holiday;
- 35 ▶ amends a provision related to the furnishing of alcohol to a minor;
- 36 ▶ amends the application requirements for a retail license;
- 37 ▶ amends the requirements for a conditional retail license;
- 38 ▶ prohibits the commission from including certain sublicenses in the total number of
- 39 licenses the commission has issued for each type of retail license;
- 40 ▶ permits various retail licensees to sell beer for off-premise consumption under
- 41 certain conditions;
- 42 ▶ makes references to the department's auditing of a retail licensee's records
- 43 consistent;
- 44 ▶ amends provisions regarding a retail licensee's ceasing of operations;
- 45 ▶ permits a management agreement under certain conditions;
- 46 ▶ prohibits an off-premise beer retailer from:
- 47 • engaging in or permitting on the licensed premises gambling or fringe gambling;
- 48 • having certain devices or games on the licensed premises; or
- 49 • knowingly allowing certain drug-related activities on the licensed premises;
- 50 ▶ amends provisions regarding the tracking of enforcement actions to remove
- 51 references to and requirements related to a repealed section of statute;
- 52 ▶ amends the total number of resort licenses permitted at a time in the state to eight;
- 53 ▶ permits a hotel licensee or person applying for a hotel license to obtain a spa
- 54 sublicense;
- 55 ▶ amends the number of 72-hour single event permits the director may issue in a
- 56 calendar year to the same person to 24;
- 57 ▶ permits a liquor warehouser licensee to ship to a consumer outside of the state that
- 58 is at least 21 years old;

- 59 ▶ amends and renumbers the Transfer of Alcohol License Act; and
- 60 ▶ makes technical and conforming changes.

61 **Money Appropriated in this Bill:**

62 None

63 **Other Special Clauses:**

64 This bill provides a special effective date.

65 **Utah Code Sections Affected:**

66 AMENDS:

- 67 **32B-1-102**, as last amended by Laws of Utah 2021, Chapter 291
- 68 **32B-1-202.1**, as enacted by Laws of Utah 2021, Chapter 291
- 69 **32B-1-603**, as enacted by Laws of Utah 2010, Chapter 276
- 70 **32B-1-604**, as last amended by Laws of Utah 2017, Chapter 455
- 71 **32B-1-605**, as last amended by Laws of Utah 2018, Chapter 281
- 72 **32B-1-606**, as last amended by Laws of Utah 2018, Chapter 249
- 73 **32B-1-701**, as last amended by Laws of Utah 2019, Chapter 12 and renumbered and
- 74 amended by Laws of Utah 2019, Chapter 403
- 75 **32B-1-704**, as renumbered and amended by Laws of Utah 2019, Chapter 403
- 76 **32B-2-101**, as enacted by Laws of Utah 2010, Chapter 276
- 77 **32B-2-201**, as last amended by Laws of Utah 2020, Chapters 352 and 373
- 78 **32B-2-202**, as last amended by Laws of Utah 2020, Chapter 219
- 79 **32B-2-203**, as enacted by Laws of Utah 2010, Chapter 276
- 80 **32B-2-205**, as last amended by Laws of Utah 2020, Chapter 352
- 81 **32B-2-210**, as last amended by Laws of Utah 2018, Chapter 249
- 82 **32B-2-301**, as last amended by Laws of Utah 2021, Chapter 424
- 83 **32B-2-304**, as last amended by Laws of Utah 2021, Chapter 291
- 84 **32B-2-602**, as last amended by Laws of Utah 2011, Chapters 307 and 334
- 85 **32B-2-605**, as last amended by Laws of Utah 2021, Chapter 291
- 86 **32B-3-205**, as last amended by Laws of Utah 2018, Chapters 249 and 329
- 87 **32B-4-403**, as last amended by Laws of Utah 2021, Chapter 291
- 88 **32B-4-415**, as last amended by Laws of Utah 2020, Chapter 219
- 89 **32B-5-102**, as last amended by Laws of Utah 2019, Chapter 403

- 90 **32B-5-201**, as last amended by Laws of Utah 2020, Chapter 219
- 91 **32B-5-202**, as last amended by Laws of Utah 2021, Chapter 291
- 92 **32B-5-205**, as last amended by Laws of Utah 2021, Chapter 291
- 93 **32B-5-304**, as last amended by Laws of Utah 2019, Chapter 403
- 94 **32B-5-307**, as last amended by Laws of Utah 2021, Chapter 291
- 95 **32B-5-309**, as last amended by Laws of Utah 2020, Chapter 219
- 96 **32B-6-205**, as last amended by Laws of Utah 2020, Chapter 219
- 97 **32B-6-205.2**, as last amended by Laws of Utah 2020, Chapter 219
- 98 **32B-6-205.3**, as enacted by Laws of Utah 2017, Chapter 455
- 99 **32B-6-305**, as last amended by Laws of Utah 2019, Chapter 403
- 100 **32B-6-305.2**, as last amended by Laws of Utah 2019, Chapter 403
- 101 **32B-6-305.3**, as enacted by Laws of Utah 2017, Chapter 455
- 102 **32B-6-404.1**, as last amended by Laws of Utah 2018, Chapter 249
- 103 **32B-6-605**, as last amended by Laws of Utah 2021, Chapter 291
- 104 **32B-6-706**, as last amended by Laws of Utah 2017, Chapter 455
- 105 **32B-6-905**, as last amended by Laws of Utah 2019, Chapter 403
- 106 **32B-6-905.1**, as last amended by Laws of Utah 2019, Chapter 403
- 107 **32B-6-905.2**, as last amended by Laws of Utah 2018, Chapter 281
- 108 **32B-6-1005**, as enacted by Laws of Utah 2020, Chapter 219
- 109 **32B-7-202**, as last amended by Laws of Utah 2019, Chapter 403
- 110 **32B-7-305**, as last amended by Laws of Utah 2017, Chapters 163 and 455
- 111 **32B-8-201**, as last amended by Laws of Utah 2020, Chapter 219
- 112 **32B-8b-301**, as last amended by Laws of Utah 2020, Chapter 219
- 113 **32B-8c-202**, as enacted by Laws of Utah 2020, Chapter 219
- 114 **32B-8d-102**, as enacted by Laws of Utah 2020, Chapter 219
- 115 **32B-8d-103**, as enacted by Laws of Utah 2020, Chapter 219
- 116 **32B-8d-104**, as last amended by Laws of Utah 2021, Chapter 291
- 117 **32B-8d-201**, as enacted by Laws of Utah 2020, Chapter 219
- 118 **32B-8d-202**, as renumbered and amended by Laws of Utah 2020, Chapter 219
- 119 **32B-8d-203**, as renumbered and amended by Laws of Utah 2020, Chapter 219
- 120 **32B-8d-204**, as renumbered and amended by Laws of Utah 2020, Chapter 219

121 [32B-8d-205](#), as renumbered and amended by Laws of Utah 2020, Chapter 219
122 [32B-9-303](#), as last amended by Laws of Utah 2012, Chapter 365
123 [32B-11-303](#), as last amended by Laws of Utah 2016, Chapter 266
124 [32B-11-403](#), as last amended by Laws of Utah 2020, Chapter 219
125 [32B-11-503](#), as last amended by Laws of Utah 2019, Chapter 403
126 [32B-11-504](#), as enacted by Laws of Utah 2021, Chapter 291
127 [32B-12-301](#), as last amended by Laws of Utah 2020, Chapter 354
128 [34-52-201](#), as last amended by Laws of Utah 2019, Chapters 371 and 479
129 [53-2a-802](#), as last amended by Laws of Utah 2021, Chapters 184 and 344
130 [53-8-105](#), as last amended by Laws of Utah 2016, Chapter 245
131 [53-10-102](#), as last amended by Laws of Utah 2019, Chapter 33
132 [53-10-305](#), as last amended by Laws of Utah 2017, Chapter 455
133 [53F-9-304](#), as last amended by Laws of Utah 2020, Chapter 161
134 [53G-10-406](#), as last amended by Laws of Utah 2020, Chapters 161 and 408
135 [59-1-403](#), as last amended by Laws of Utah 2021, Chapters 282, 367, 369, and 382
136 [59-15-108](#), as renumbered and amended by Laws of Utah 1987, Chapter 2
137 [62A-1-121](#), as last amended by Laws of Utah 2021, Chapter 344
138 [62A-15-401](#), as last amended by Laws of Utah 2019, Chapter 403
139 [63A-17-502](#), as last amended by Laws of Utah 2021, Chapter 184 and renumbered and
140 amended by Laws of Utah 2021, Chapter 344
141 [63A-17-807](#), as last amended by Laws of Utah 2021, Chapter 184 and renumbered and
142 amended by Laws of Utah 2021, Chapter 344
143 [63B-3-301](#), as last amended by Laws of Utah 2021, Chapters 280 and 382
144 [63B-5-201](#), as last amended by Laws of Utah 2021, Chapter 280
145 [63B-10-301](#), as last amended by Laws of Utah 2008, Chapter 382
146 [63B-11-701](#), as last amended by Laws of Utah 2008, Chapter 382
147 [63B-13-201](#), as enacted by Laws of Utah 2004, Chapter 364
148 [63B-14-201](#), as enacted by Laws of Utah 2005, Chapter 180
149 [63B-15-201](#), as enacted by Laws of Utah 2006, Chapter 169
150 [63B-16-201](#), as last amended by Laws of Utah 2020, Chapter 152
151 [63B-17-201](#), as last amended by Laws of Utah 2020, Chapter 152

152 **63B-18-201**, as enacted by Laws of Utah 2009, Chapter 134
153 **63B-24-101**, as enacted by Laws of Utah 2015, Chapter 281
154 **63B-26-101**, as enacted by Laws of Utah 2016, Chapter 250
155 **63B-27-201**, as enacted by Laws of Utah 2017, Chapter 355
156 **63B-28-101**, as last amended by Laws of Utah 2020, Chapter 301
157 **63B-29-101**, as enacted by Laws of Utah 2019, Chapter 410
158 **63B-31-202**, as enacted by Laws of Utah 2021, Chapter 320
159 **63G-12-306**, as last amended by Laws of Utah 2014, Chapter 189
160 **63I-5-201 (Superseded 07/01/22)**, as last amended by Laws of Utah 2021, Chapter 184
161 **63I-5-201 (Effective 07/01/22)**, as last amended by Laws of Utah 2021, Second Special
162 Session, Chapter 1
163 **63J-1-219**, as last amended by Laws of Utah 2021, Chapters 184 and 344
164 **63J-1-602.2**, as last amended by Laws of Utah 2021, Chapters 179, 344, 412, 421, and
165 424
166 **67-22-2**, as last amended by Laws of Utah 2021, Chapters 64, 184, 344, and 382
167 ENACTS:
168 **32B-18-203**, Utah Code Annotated 1953
169 **32B-18-205**, Utah Code Annotated 1953
170 **32B-18-301**, Utah Code Annotated 1953
171 **32B-18-302**, Utah Code Annotated 1953
172 **32B-18-303**, Utah Code Annotated 1953
173 RENUMBERS AND AMENDS:
174 **32B-18-101**, (Renumbered from 32B-8a-102, as last amended by Laws of Utah 2021,
175 Chapter 291)
176 **32B-18-201**, (Renumbered from 32B-8a-201, as last amended by Laws of Utah 2021,
177 Chapter 291)
178 **32B-18-202**, (Renumbered from 32B-8a-202, as last amended by Laws of Utah 2021,
179 Chapter 291)
180 **32B-18-204**, (Renumbered from 32B-5-310, as last amended by Laws of Utah 2021,
181 Chapter 291)
182 **32B-18-206**, (Renumbered from 32B-8a-203, as last amended by Laws of Utah 2021,

183 Chapter 291)
184 **32B-18-207**, (Renumbered from 32B-8a-303, as last amended by Laws of Utah 2021,
185 Chapter 291)

186 **32B-18-401**, (Renumbered from 32B-8a-501, as last amended by Laws of Utah 2021,
187 Chapter 291)

188 **32B-18-402**, (Renumbered from 32B-8a-502, as last amended by Laws of Utah 2020,
189 Chapter 219)

190 REPEALS:

191 **32B-8a-101**, as last amended by Laws of Utah 2020, Chapter 219

192 **32B-8a-302**, as last amended by Laws of Utah 2021, Chapters 84, 291, and 345

193 **32B-12-207**, as enacted by Laws of Utah 2021, Chapter 291

194

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

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

197 **32B-1-102. Definitions.**

198 As used in this title:

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

- 200 (a) at which an alcoholic product is sold at retail for consumption on the premises; and
- 201 (b) that is located at an international airport.

202 (2) "Airport lounge license" means a license issued in accordance with Chapter 5,
203 Retail License Act, and Chapter 6, Part 5, Airport Lounge License.

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

- 205 (a) beer; or
- 206 (b) liquor.

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

- 208 (i) contains at least .5% of alcohol by volume; and
- 209 (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other
210 process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol
211 in an amount equal to or greater than .5% of alcohol by volume.

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

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

- 214 otherwise come within the definition of an alcoholic product:
- 215 (i) except as provided in Subsection (4)(d), an extract;
 - 216 (ii) vinegar;
 - 217 (iii) preserved nonintoxicating cider;
 - 218 (iv) essence;
 - 219 (v) tincture;
 - 220 (vi) food preparation; or
 - 221 (vii) an over-the-counter medicine.
- 222 (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation
223 when it is used as a flavoring in the manufacturing of an alcoholic product.
- 224 (5) "Alcohol training and education seminar" means a seminar that is:
- 225 (a) required by Chapter 1, Part 7, Alcohol Training and Education Act; and
 - 226 (b) described in Section [62A-15-401](#).
- 227 (6) "Arena" means an enclosed building:
- 228 (a) that is managed by:
 - 229 (i) the same person who owns the enclosed building;
 - 230 (ii) a person who has a majority interest in each person who owns or manages a space
231 in the enclosed building; or
 - 232 (iii) a person who has authority to direct or exercise control over the management or
233 policy of each person who owns or manages a space in the enclosed building;
 - 234 (b) that operates as a venue; and
 - 235 (c) that has an occupancy capacity of at least 12,500.
- 236 (7) "Arena license" means a license issued in accordance with Chapter 5, Retail
237 License Act, and Chapter 8c, Arena License Act.
- 238 (8) "Banquet" means an event:
- 239 (a) that is a private event or a privately sponsored event;
 - 240 (b) that is held at one or more designated locations approved by the commission in or
241 on the premises of:
 - 242 (i) a hotel;
 - 243 (ii) a resort facility;
 - 244 (iii) a sports center;

- 245 (iv) a convention center;
- 246 (v) a performing arts facility; or
- 247 (vi) an arena;
- 248 (c) for which there is a contract:
- 249 (i) between a person operating a facility listed in Subsection (8)(b) and another person
- 250 that has common ownership of less than 20% with the person operating the facility; and
- 251 (ii) under which the person operating a facility listed in Subsection (8)(b) is required to
- 252 provide an alcoholic product at the event; and
- 253 (d) at which food and alcoholic products may be sold, offered for sale, or furnished.
- 254 (9) "Bar structure" means a surface or structure on a licensed premises if on or at any
- 255 place of the surface or structure an alcoholic product is:
- 256 (a) stored; or
- 257 (b) dispensed.
- 258 (10) (a) "Bar establishment license" means a license issued in accordance with Chapter
- 259 5, Retail License Act, and Chapter 6, Part 4, Bar Establishment License.
- 260 (b) "Bar establishment license" includes:
- 261 (i) a dining club license;
- 262 (ii) an equity license;
- 263 (iii) a fraternal license; or
- 264 (iv) a bar license.
- 265 (11) "Bar license" means a license issued in accordance with Chapter 5, Retail License
- 266 Act, and Chapter 6, Part 4, Bar Establishment License.
- 267 (12) (a) [~~Subject to Subsection (12)(d), "beer"~~] "Beer" means a product that:
- 268 (i) contains:
- 269 (A) at least .5% of alcohol by volume[~~,-but not~~]; and
- 270 (B) no more than 5% of alcohol by volume or 4% by weight; [~~and~~]
- 271 (ii) is obtained by fermentation, infusion, or decoction of [~~malted grain~~.];
- 272 (A) malt; or
- 273 (B) a malt substitute; and
- 274 (iii) is clearly marketed, labeled, and identified as:
- 275 (A) beer;

276 (B) ale;
277 (C) porter;
278 (D) stout;
279 (E) lager;
280 (F) a malt;
281 (G) a malted beverage; or
282 (H) seltzer.
283 (b) "Beer" may ~~[or may not contain hops or other vegetable products.]~~ contain:
284 (i) hops extract; or
285 (ii) caffeine, if the caffeine is a natural constituent of an added ingredient.
286 ~~[(c) "Beer" includes a product that:]~~
287 ~~[(i) contains alcohol in the percentages described in Subsection (12)(a); and]~~
288 ~~[(ii) is referred to as:]~~
289 ~~[(A) beer;]~~
290 ~~[(B) ale;]~~
291 ~~[(C) porter;]~~
292 ~~[(D) stout;]~~
293 ~~[(E) lager; or]~~
294 ~~[(F) a malt or malted beverage.]~~
295 ~~[(d)]~~ (c) "Beer" does not include:
296 (i) a flavored malt beverage[-];
297 (ii) a product that contains:
298 (A) alcohol derived from spirituous liquor; or
299 (B) alcohol derived from wine; or
300 (iii) a product that contains an additive masking or altering a physiological effect of
301 alcohol, including kratom, kava, cannabidiol, or natural or synthetic tetrahydrocannabinol.
302 (13) "Beer-only restaurant license" means a license issued in accordance with Chapter
303 5, Retail License Act, and Chapter 6, Part 9, Beer-Only Restaurant License.
304 (14) "Beer retailer" means a business that:
305 (a) is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether
306 for consumption on or off the business premises; and

- 307 (b) is licensed as:
- 308 (i) an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-Premise Beer
- 309 Retailer Local Authority; or
- 310 (ii) an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and
- 311 Chapter 6, Part 7, On-Premise Beer Retailer License.
- 312 (15) "Beer wholesaling license" means a license:
- 313 (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
- 314 (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more
- 315 retail licensees or off-premise beer retailers.
- 316 (16) "Billboard" means a public display used to advertise, including:
- 317 (a) a light device;
- 318 (b) a painting;
- 319 (c) a drawing;
- 320 (d) a poster;
- 321 (e) a sign;
- 322 (f) a signboard; or
- 323 (g) a scoreboard.
- 324 (17) "Brewer" means a person engaged in manufacturing:
- 325 (a) beer;
- 326 (b) heavy beer; or
- 327 (c) a flavored malt beverage.
- 328 (18) "Brewery manufacturing license" means a license issued in accordance with
- 329 Chapter 11, Part 5, Brewery Manufacturing License.
- 330 (19) "Certificate of approval" means a certificate of approval obtained from the
- 331 department under Section [32B-11-201](#).
- 332 (20) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by
- 333 a bus company to a group of persons pursuant to a common purpose:
- 334 (a) under a single contract;
- 335 (b) at a fixed charge in accordance with the bus company's tariff; and
- 336 (c) to give the group of persons the exclusive use of the passenger bus, coach, or other
- 337 motor vehicle, and a driver to travel together to one or more specified destinations.

- 338 (21) "Church" means a building:
- 339 (a) set apart for worship;
- 340 (b) in which religious services are held;
- 341 (c) with which clergy is associated; and
- 342 (d) that is tax exempt under the laws of this state.
- 343 (22) "Commission" means the Alcoholic Beverage [~~Control~~] Services Commission
- 344 created in Section 32B-2-201.
- 345 (23) "Commissioner" means a member of the commission.
- 346 (24) "Community location" means:
- 347 (a) a public or private school;
- 348 (b) a church;
- 349 (c) a public library;
- 350 (d) a public playground; or
- 351 (e) a public park.
- 352 (25) "Community location governing authority" means:
- 353 (a) the governing body of the community location; or
- 354 (b) if the commission does not know who is the governing body of a community
- 355 location, a person who appears to the commission to have been given on behalf of the
- 356 community location the authority to prohibit an activity at the community location.
- 357 (26) "Container" means a receptacle that contains an alcoholic product, including:
- 358 (a) a bottle;
- 359 (b) a vessel; or
- 360 (c) a similar item.
- 361 (27) "Controlled group of [~~breweries~~] manufacturers" means as the commission
- 362 defines by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 363 Rulemaking Act.
- 364 (28) "Convention center" means a facility that is:
- 365 (a) in total at least 30,000 square feet; and
- 366 (b) otherwise defined as a "convention center" by the commission by rule.
- 367 (29) (a) "Counter" means a surface or structure in a dining area of a licensed premises
- 368 where seating is provided to a patron for service of food.

- 369 (b) "Counter" does not include a dispensing structure.
- 370 (30) "Crime involving moral turpitude" is as defined by the commission by rule.
- 371 (31) "Department" means the Department of Alcoholic Beverage ~~[Control]~~ Services
- 372 created in Section [32B-2-203](#).
- 373 (32) "Department compliance officer" means an individual who is:
 - 374 (a) an auditor or inspector; and
 - 375 (b) employed by the department.
- 376 (33) "Department sample" means liquor that is placed in the possession of the
- 377 department for testing, analysis, and sampling.
- 378 (34) "Dining club license" means a license issued in accordance with Chapter 5, Retail
- 379 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
- 380 commission as a dining club license.
- 381 (35) "Director," unless the context requires otherwise, means the director of the
- 382 department.
- 383 (36) "Disciplinary proceeding" means an adjudicative proceeding permitted under this
- 384 title:
 - 385 (a) against a person subject to administrative action; and
 - 386 (b) that is brought on the basis of a violation of this title.
- 387 (37) (a) Subject to Subsection (37)(b), "dispense" means:
 - 388 (i) drawing an alcoholic product; and
 - 389 (ii) using the alcoholic product at the location from which it was drawn to mix or
 - 390 prepare an alcoholic product to be furnished to a patron of the retail licensee.
- 391 (b) The definition of "dispense" in this Subsection (37) applies only to:
 - 392 (i) a full-service restaurant license;
 - 393 (ii) a limited-service restaurant license;
 - 394 (iii) a reception center license;
 - 395 (iv) a beer-only restaurant license;
 - 396 (v) a bar license;
 - 397 (vi) an on-premise beer retailer;
 - 398 (vii) an airport lounge license;
 - 399 (viii) an on-premise banquet license; and

400 (ix) a hospitality amenity license.

401 (38) "Dispensing structure" means a surface or structure on a licensed premises:

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

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

404 (39) "Distillery manufacturing license" means a license issued in accordance with
405 Chapter 11, Part 4, Distillery Manufacturing License.

406 (40) "Distressed merchandise" means an alcoholic product in the possession of the
407 department that is saleable, but for some reason is unappealing to the public.

408 (41) "Equity license" means a license issued in accordance with Chapter 5, Retail
409 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
410 commission as an equity license.

411 (42) "Event permit" means:

412 (a) a single event permit; or

413 (b) a temporary beer event permit.

414 (43) "Exempt license" means a license exempt under Section 32B-1-201 from being
415 considered in determining the total number of retail licenses that the commission may issue at
416 any time.

417 (44) (a) "Flavored malt beverage" means a beverage:

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

419 ~~[(ii) that is treated by processing, filtration, or another method of manufacture that is~~
420 ~~not generally recognized as a traditional process in the production of a beer as described in 27~~
421 ~~C.F.R. Sec. 25.55;]~~

422 ~~[(iii) to which is added a flavor or other ingredient containing alcohol, except for a hop~~
423 ~~extract; and]~~

424 (ii) for which the producer is required to file a formula for approval with the federal
425 Alcohol and Tobacco Tax and Trade Bureau under 27 C.F.R. Sec. 25.55 because the beverage
426 is treated by processing, filtration, or another method of manufacture that is not generally
427 recognized as a traditional process in the production of a beer, ale, porter, stout, lager, or malt
428 liquor; and

429 (iii) for which the producer is required to file a formula for approval with the federal
430 Alcohol and Tobacco Tax and Trade Bureau under 27 C.F.R. Sec. 25.55 because the beverage

431 includes an ingredient containing alcohol.

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

434 ~~[(B) that is not exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55.]~~

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

436 (45) "Fraternal license" means a license issued in accordance with Chapter 5, Retail
437 License Act, and Chapter 6, Part 4, Bar Establishment License, that is designated by the
438 commission as a fraternal license.

439 (46) "Full-service restaurant license" means a license issued in accordance with
440 Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-Service Restaurant License.

441 (47) (a) "Furnish" means by any means to provide with, supply, or give an individual
442 an alcoholic product, by sale or otherwise.

443 (b) "Furnish" includes to:

444 (i) serve;

445 (ii) deliver; or

446 (iii) otherwise make available.

447 (48) "Guest" means an individual who meets the requirements of Subsection
448 [32B-6-407\(9\)](#).

449 (49) "Hard cider" means the same as that term is defined in 26 U.S.C. Sec. 5041.

450 (50) "Health care practitioner" means:

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

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

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

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

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

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

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

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

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

464 Professional Practice Act;

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

466 (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical

467 Practice Act;

468 (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental

469 Hygienist Practice Act; and

470 (m) a physician assistant licensed under Title 58, Chapter 70a, Utah Physician

471 Assistant Act.

472 (51) (a) "Heavy beer" means a product that:

473 (i) contains more than 5% alcohol by volume; and

474 (ii) is obtained by fermentation, infusion, or decoction of [~~malted grain~~];

475 (A) malt; or

476 (B) a malt substitute.

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

478 (52) "Hospitality amenity license" means a license issued in accordance with Chapter

479 5, Retail License Act, and Chapter 6, Part 10, Hospitality Amenity License.

480 (53) (a) "Hotel" means a commercial lodging establishment that:

481 (i) offers at least 40 rooms as temporary sleeping accommodations for compensation;

482 (ii) is capable of hosting conventions, conferences, and food and beverage functions

483 under a banquet contract; and

484 (iii) (A) has adequate kitchen or culinary facilities on the premises to provide complete
485 meals;

486 (B) has at least 1,000 square feet of function space consisting of meeting or dining
487 rooms that can be reserved for [~~private use under~~] a banquet [~~contract~~] and can accommodate at
488 least 75 individuals; or

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

492 (b) "Hotel" includes a commercial lodging establishment that:

493 (i) meets the requirements under Subsection (53)(a); and

494 (ii) has one or more privately owned dwelling units.

495 (54) "Hotel license" means a license issued in accordance with Chapter 5, Retail
496 License Act, and Chapter 8b, Hotel License Act.

497 (55) "Identification card" means an identification card issued under Title 53, Chapter 3,
498 Part 8, Identification Card Act.

499 (56) "Industry representative" means an individual who is compensated by salary,
500 commission, or other means for representing and selling an alcoholic product of a
501 manufacturer, supplier, or importer of liquor.

502 (57) "Industry representative sample" means liquor that is placed in the possession of
503 the department for testing, analysis, and sampling by a local industry representative on the
504 premises of the department to educate the local industry representative of the quality and
505 characteristics of the product.

506 (58) "Interdicted person" means a person to whom the sale, offer for sale, or furnishing
507 of an alcoholic product is prohibited by:

508 (a) law; or

509 (b) court order.

510 (59) "International airport" means an airport:

511 (a) with a United States Customs and Border Protection office on the premises of the
512 airport; and

513 (b) at which international flights may enter and depart.

514 (60) "Intoxicated" means that a person:

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

517 (i) an alcoholic product;

518 (ii) a controlled substance;

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

520 (iv) a combination of Subsections (60)(a)(i) through (iii); and

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

523 (61) "Investigator" means an individual who is:

- 524 (a) a department compliance officer; or
- 525 (b) a nondepartment enforcement officer.
- 526 (62) "License" means:
- 527 (a) a retail license;
- 528 (b) a sublicense;
- 529 (c) a license issued in accordance with Chapter 7, Part 4, Off-Premise Beer Retailer
- 530 State License;
- 531 ~~[(e)]~~ (d) a license issued in accordance with Chapter 11, Manufacturing and Related
- 532 Licenses Act;
- 533 ~~[(d)]~~ (e) a license issued in accordance with Chapter 12, Liquor Warehousing License
- 534 Act;
- 535 ~~[(e)]~~ (f) a license issued in accordance with Chapter 13, Beer Wholesaling License Act;
- 536 or
- 537 ~~[(f)]~~ (g) a license issued in accordance with Chapter 17, Liquor Transport License Act.
- 538 (63) "Licensee" means a person who holds a license.
- 539 (64) "Limited-service restaurant license" means a license issued in accordance with
- 540 Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-Service Restaurant License.
- 541 (65) "Limousine" means a motor vehicle licensed by the state or a local authority, other
- 542 than a bus or taxicab:
- 543 (a) in which the driver and a passenger are separated by a partition, glass, or other
- 544 barrier;
- 545 (b) that is provided by a business entity to one or more individuals at a fixed charge in
- 546 accordance with the business entity's tariff; and
- 547 (c) to give the one or more individuals the exclusive use of the limousine and a driver
- 548 to travel to one or more specified destinations.
- 549 (66) (a) (i) "Liquor" means a liquid that:
- 550 (A) is:
- 551 (I) alcohol;
- 552 (II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;
- 553 (III) a combination of liquids a part of which is spirituous, vinous, or fermented; or
- 554 (IV) other drink or drinkable liquid; and

- 555 (B) (I) contains at least .5% alcohol by volume; and
- 556 (II) is suitable to use for beverage purposes.
- 557 (ii) "Liquor" includes:
- 558 (A) heavy beer;
- 559 (B) wine; and
- 560 (C) a flavored malt beverage.
- 561 (b) "Liquor" does not include beer.
- 562 (67) "Liquor Control Fund" means the enterprise fund created by Section [32B-2-301](#).
- 563 (68) "Liquor transport license" means a license issued in accordance with Chapter 17,
- 564 Liquor Transport License Act.
- 565 (69) "Liquor warehousing license" means a license that is issued:
- 566 (a) in accordance with Chapter 12, Liquor Warehousing License Act; and
- 567 (b) to a person, other than a licensed manufacturer, who engages in the importation for
- 568 storage, sale, or distribution of liquor regardless of amount.
- 569 (70) "Local authority" means:
- 570 (a) for premises that are located in an unincorporated area of a county, the governing
- 571 body of a county;
- 572 (b) for premises that are located in an incorporated city, town, or metro township, the
- 573 governing body of the city, town, or metro township; or
- 574 (c) for premises that are located in a project area as defined in Section [63H-1-102](#) and
- 575 in a project area plan adopted by the Military Installation Development Authority under Title
- 576 63H, Chapter 1, Military Installation Development Authority Act, the Military Installation
- 577 Development Authority.
- 578 (71) "Lounge or bar area" is as defined by rule made by the commission.
- 579 (72) "Malt substitute" means:
- 580 (a) rice;
- 581 (b) grain;
- 582 (c) bran;
- 583 (d) glucose;
- 584 (e) sugar; or
- 585 (f) molasses.

586 ~~[(72)]~~ (73) "Manufacture" means to distill, brew, rectify, mix, compound, process,
587 ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to
588 others.

589 ~~[(73)]~~ (74) "Member" means an individual who, after paying regular dues, has full
590 privileges in an equity licensee or fraternal licensee.

591 ~~[(74)]~~ (75) (a) "Military installation" means a base, air field, camp, post, station, yard,
592 center, or homeport facility for a ship:

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

594 (B) of the National Guard;

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

596 (iii) including a leased facility.

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

598 (i) civil works;

599 (ii) a rivers and harbors project; or

600 (iii) a flood control project.

601 ~~[(75)]~~ (76) "Minibar" means an area of a hotel guest room where one or more alcoholic
602 products are kept and offered for self-service sale or consumption.

603 ~~[(76)]~~ (77) "Minor" means an individual under ~~[the age of]~~ 21 years old.

604 ~~[(77)]~~ (78) "Nondepartment enforcement agency" means an agency that:

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

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

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

608 ~~[(78)]~~ (79) "Nondepartment enforcement officer" means an individual who is:

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

610 (b) employed by a nondepartment enforcement agency.

611 ~~[(79)]~~ (80) (a) "Off-premise beer retailer" means a beer retailer who is:

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

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

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

616 ~~[(80)]~~ (81) "Off-premise beer retailer state license" means a state license issued in

617 accordance with Chapter 7, Part 4, Off-Premise Beer Retailer State License.

618 ~~[(81)]~~ (82) "On-premise banquet license" means a license issued in accordance with
619 Chapter 5, Retail License Act, and Chapter 6, Part 6, On-Premise Banquet License.

620 ~~[(82)]~~ (83) "On-premise beer retailer" means a beer retailer who is:

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

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

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

628 (ii) on and after March 1, 2012, operating:

629 (A) as a tavern; or

630 (B) in a manner that meets the requirements of Subsection [32B-6-703\(2\)\(e\)\(i\)](#).

631 ~~[(83)]~~ (84) "Opaque" means impenetrable to sight.

632 ~~[(84)]~~ (85) "Package agency" means a retail liquor location operated:

633 (a) under an agreement with the department; and

634 (b) by a person:

635 (i) other than the state; and

636 (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package
637 Agency, to sell packaged liquor for consumption off the premises of the package agency.

638 ~~[(85)]~~ (86) "Package agent" means a person who holds a package agency.

639 ~~[(86)]~~ (87) "Patron" means an individual to whom food, beverages, or services are sold,
640 offered for sale, or furnished, or who consumes an alcoholic product including:

641 (a) a customer;

642 (b) a member;

643 (c) a guest;

644 (d) an attendee of a banquet or event;

645 (e) an individual who receives room service;

646 (f) a resident of a resort; or

647 (g) a hospitality guest, as defined in Section [32B-6-1002](#), under a hospitality amenity

648 license.

649 ~~[(87)]~~ (88) (a) "Performing arts facility" means a multi-use performance space that:

650 (i) is primarily used to present various types of performing arts, including dance,
651 music, and theater;

652 (ii) contains over 2,500 seats;

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

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

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

657 ~~[(88)]~~ (89) "Permittee" means a person issued a permit under:

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

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

660 ~~[(89)]~~ (90) "Person subject to administrative action" means:

661 (a) a licensee;

662 (b) a permittee;

663 (c) a manufacturer;

664 (d) a supplier;

665 (e) an importer;

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

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

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

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

670 (g) staff of:

671 (i) a person listed in Subsections ~~[(89)]~~ (90)(a) through (f); or

672 (ii) a package agent.

673 ~~[(90)]~~ (91) "Premises" means a building, enclosure, or room used in connection with
674 the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic
675 product, unless otherwise defined in this title or rules made by the commission.

676 ~~[(91)]~~ (92) "Prescription" means an order issued by a health care practitioner when:

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

- 679 (b) the order is made in the course of that health care practitioner's professional
680 practice; and
- 681 (c) the order is made for obtaining an alcoholic product for medicinal purposes only.
- 682 ~~[(92)]~~ (93) (a) "Primary spirituous liquor" means the main distilled spirit in a beverage.
- 683 (b) "Primary spirituous liquor" does not include a secondary flavoring ingredient.
- 684 ~~[(93)]~~ (94) "Principal license" means:
- 685 (a) a resort license;
- 686 (b) a hotel license; or
- 687 (c) an arena license.
- 688 ~~[(94)]~~ (95) (a) "Private event" means a specific social, business, or recreational event:
- 689 (i) for which an entire room, area, or hall is leased or rented in advance by an identified
690 group; and
- 691 (ii) that is limited in attendance to people who are specifically designated and their
692 guests.
- 693 (b) "Private event" does not include an event to which the general public is invited,
694 whether for an admission fee or not.
- 695 ~~[(95)]~~ (96) "Privately sponsored event" means a specific social, business, or
696 recreational event:
- 697 (a) that is held in or on the premises of an on-premise banquet licensee; and
- 698 (b) to which entry is restricted by an admission fee.
- 699 ~~[(96)]~~ (97) (a) "Proof of age" means:
- 700 (i) an identification card;
- 701 (ii) an identification that:
- 702 (A) is substantially similar to an identification card;
- 703 (B) is issued in accordance with the laws of a state other than Utah in which the
704 identification is issued;
- 705 (C) includes date of birth; and
- 706 (D) has a picture affixed;
- 707 (iii) a valid driver license certificate that:
- 708 (A) includes date of birth;
- 709 (B) has a picture affixed; and

- 710 (C) is issued:
- 711 (I) under Title 53, Chapter 3, Uniform Driver License Act; [or]
- 712 (II) in accordance with the laws of the state in which it is issued; or
- 713 (III) in accordance with federal law by the United States Department of State;
- 714 (iv) a military identification card that:
- 715 (A) includes date of birth; and
- 716 (B) has a picture affixed; or
- 717 (v) a valid passport.
- 718 (b) "Proof of age" does not include a driving privilege card issued in accordance with
- 719 Section [53-3-207](#).

720 [~~97~~] (98) "Provisions applicable to a sublicense" means:

- 721 (a) for a full-service restaurant sublicense, the provisions applicable to a full-service
- 722 restaurant license under Chapter 6, Part 2, Full-Service Restaurant License;
- 723 (b) for a limited-service restaurant sublicense, the provisions applicable to a
- 724 limited-service restaurant license under Chapter 6, Part 3, Limited-Service Restaurant License;
- 725 (c) for a bar establishment sublicense, the provisions applicable to a bar establishment
- 726 license under Chapter 6, Part 4, Bar Establishment License;
- 727 (d) for an on-premise banquet sublicense, the provisions applicable to an on-premise
- 728 banquet license under Chapter 6, Part 6, On-Premise Banquet License;
- 729 (e) for an on-premise beer retailer sublicense, the provisions applicable to an
- 730 on-premise beer retailer license under Chapter 6, Part 7, On-Premise Beer Retailer License;
- 731 (f) for a beer-only restaurant sublicense, the provisions applicable to a beer-only
- 732 restaurant license under Chapter 6, Part 9, Beer-Only Restaurant License;
- 733 (g) for a hospitality amenity license, the provisions applicable to a hospitality amenity
- 734 license under Chapter 6, Part 10, Hospitality Amenity License; and
- 735 (h) for a [~~resort~~] spa sublicense, the provisions applicable to the sublicense under
- 736 Chapter 8d, Part 2, [~~Resort~~] Spa Sublicense.

737 [~~98~~] (99) (a) "Public building" means a building or permanent structure that is:

- 738 (i) owned or leased by:
- 739 (A) the state; or
- 740 (B) a local government entity; and

- 741 (ii) used for:
- 742 (A) public education;
- 743 (B) transacting public business; or
- 744 (C) regularly conducting government activities.
- 745 (b) "Public building" does not include a building owned by the state or a local
- 746 government entity when the building is used by a person, in whole or in part, for a proprietary
- 747 function.
- 748 ~~[(99)]~~ (100) "Public conveyance" means a conveyance that the public or a portion of
- 749 the public has access to and a right to use for transportation, including an airline, railroad, bus,
- 750 boat, or other public conveyance.
- 751 ~~[(100)]~~ (101) "Reception center" means a business that:
- 752 (a) operates facilities that are at least 5,000 square feet; and
- 753 (b) has as its primary purpose the leasing of the facilities described in Subsection
- 754 ~~[(100)]~~ (101)(a) to a third party for the third party's event.
- 755 ~~[(101)]~~ (102) "Reception center license" means a license issued in accordance with
- 756 Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.
- 757 ~~[(102)]~~ (103) (a) "Record" means information that is:
- 758 (i) inscribed on a tangible medium; or
- 759 (ii) stored in an electronic or other medium and is retrievable in a perceivable form.
- 760 (b) "Record" includes:
- 761 (i) a book;
- 762 (ii) a book of account;
- 763 (iii) a paper;
- 764 (iv) a contract;
- 765 (v) an agreement;
- 766 (vi) a document; or
- 767 (vii) a recording in any medium.
- 768 ~~[(103)]~~ (104) "Residence" means a person's principal place of abode within Utah.
- 769 ~~[(104)]~~ (105) "Resident," in relation to a resort, means the same as that term is defined
- 770 in Section [32B-8-102](#).
- 771 ~~[(105)]~~ (106) "Resort" means the same as that term is defined in Section [32B-8-102](#).

772 ~~[(106)]~~ (107) "Resort facility" is as defined by the commission by rule.

773 ~~[(107) "Resort spa sublicense" means a resort license sublicense issued in accordance~~
774 ~~with Chapter 8d, Part 2, Resort Spa Sublicense.]~~

775 (108) "Resort license" means a license issued in accordance with Chapter 5, Retail
776 License Act, and Chapter 8, Resort License Act.

777 (109) "Responsible alcohol service plan" means a written set of policies and
778 procedures that outlines measures to prevent employees from:

- 779 (a) over-serving alcoholic beverages to customers;
- 780 (b) serving alcoholic beverages to customers who are actually, apparently, or obviously
781 intoxicated; and

- 782 (c) serving alcoholic beverages to minors.

783 (110) "Restaurant" means a business location:

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

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

- 788 (a) a full-service restaurant license;
- 789 (b) a limited-service restaurant license; or
- 790 (c) a beer-only restaurant license.

791 (112) "Retail license" means one of the following licenses issued under this title:

- 792 (a) a full-service restaurant license;
- 793 (b) a master full-service restaurant license;
- 794 (c) a limited-service restaurant license;
- 795 (d) a master limited-service restaurant license;
- 796 (e) a bar establishment license;
- 797 (f) an airport lounge license;
- 798 (g) an on-premise banquet license;
- 799 (h) an on-premise beer license;
- 800 (i) a reception center license;
- 801 (j) a beer-only restaurant license;
- 802 (k) a hospitality amenity license;

803 (l) a resort license;

804 (m) a hotel license; or

805 (n) an arena license.

806 (113) "Room service" means furnishing an alcoholic product to a person in a guest

807 room or privately owned dwelling unit of a:

808 (a) hotel; or

809 (b) resort facility.

810 (114) (a) "School" means a building in which any part is used for more than three

811 hours each weekday during a school year as a public or private:

812 (i) elementary school;

813 (ii) secondary school; or

814 (iii) kindergarten.

815 (b) "School" does not include:

816 (i) a nursery school;

817 (ii) a day care center;

818 (iii) a trade and technical school;

819 (iv) a preschool; or

820 (v) a home school.

821 (115) "Secondary flavoring ingredient" means any spirituous liquor added to a

822 beverage for additional flavoring that is different in type, flavor, or brand from the primary

823 spirituous liquor in the beverage.

824 (116) "Sell" or "offer for sale" means a transaction, exchange, or barter whereby, for

825 consideration, an alcoholic product is either directly or indirectly transferred, solicited, ordered,

826 delivered for value, or by a means or under a pretext is promised or obtained, whether done by

827 a person as a principal, proprietor, or as staff, unless otherwise defined in this title or the rules

828 made by the commission.

829 (117) "Serve" means to place an alcoholic product before an individual.

830 (118) "Sexually oriented entertainer" means a person who while in a state of

831 seminudity appears at or performs:

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

833 (b) on the premises of:

- 834 (i) a bar licensee; or
- 835 (ii) a tavern;
- 836 (c) on behalf of or at the request of the licensee described in Subsection (118)(b);
- 837 (d) on a contractual or voluntary basis; and
- 838 (e) whether or not the person is designated as:

- 839 (i) an employee;
- 840 (ii) an independent contractor;
- 841 (iii) an agent of the licensee; or
- 842 (iv) a different type of classification.

843 (119) "Shared seating area" means the licensed premises of two or more restaurant
844 licensees that the restaurant licensees share as an area for alcoholic beverage consumption in
845 accordance with Subsection 32B-5-207(3).

846 (120) "Single event permit" means a permit issued in accordance with Chapter 9, Part
847 3, Single Event Permit.

848 (121) "Small brewer" means a brewer who manufactures less than 60,000 barrels of
849 beer, heavy beer, and flavored malt beverage per year, as the department calculates by:

850 (a) if the brewer is part of a controlled group of [~~breweries~~] manufacturers, including
851 the combined volume totals of production for all breweries that constitute the controlled group
852 of [~~breweries~~] manufacturers; and

853 (b) excluding beer, heavy beer, or flavored malt beverage the brewer:

854 (i) manufactures that is unfit for consumption as, or in, a beverage, as the commission
855 determines by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
856 Rulemaking Act; and

857 (ii) does not sell for consumption as, or in, a beverage.

858 (122) "Small or unincorporated locality" means:

- 859 (a) a city of the third, fourth, or fifth class, as classified under Section 10-2-301;
- 860 (b) a town, as classified under Section 10-2-301; or
- 861 (c) an unincorporated area in a county of the third, fourth, or fifth class, as classified
862 under Section 17-50-501.

863 (123) "Spa sublicense" means a sublicense:

- 864 (a) to a resort license or hotel license; and

865 (b) that the commission issues in accordance with Chapter 8d, Part 2, Spa Sublicense.

866 [~~(123)~~] (124) "Special use permit" means a permit issued in accordance with Chapter
867 10, Special Use Permit Act.

868 [~~(124)~~] (125) (a) "Spirituous liquor" means liquor that is distilled.

869 (b) "Spirituous liquor" includes an alcoholic product defined as a "distilled spirit" by
870 27 U.S.C. Sec. 211 and 27 C.F.R. Sec. 5.11 through 5.23.

871 [~~(125)~~] (126) "Sports center" is as defined by the commission by rule.

872 [~~(126)~~] (127) (a) "Staff" means an individual who engages in activity governed by this
873 title:

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

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

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

880 (b) "Staff" includes:

881 (i) an officer;

882 (ii) a director;

883 (iii) an employee;

884 (iv) personnel management;

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

886 (vi) an operator; or

887 (vii) a representative.

888 [~~(127)~~] (128) "State of nudity" means:

889 (a) the appearance of:

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

891 (ii) a human genital;

892 (iii) a human pubic area; or

893 (iv) a human anus; or

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

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

896 (ii) a human genital;

897 (iii) a human pubic area; or

898 (iv) a human anus.

899 ~~[(128)]~~ (129) "State of seminudity" means a state of dress in which opaque clothing
900 covers no more than:

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

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

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

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

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

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

908 ~~[(129)]~~ (130) (a) "State store" means a facility for the sale of packaged liquor:

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

910 (ii) operated by a state employee.

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

912 (i) a package agency;

913 (ii) a licensee; or

914 (iii) a permittee.

915 ~~[(130)]~~ (131) (a) "Storage area" means an area on licensed premises where the licensee
916 stores an alcoholic product.

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

918 ~~[(131)]~~ (132) "Sublicense" means:

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

921 (i) a full-service restaurant license;

922 (ii) a limited-service restaurant license;

923 (iii) a bar establishment license;

924 (iv) an on-premise banquet license;

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

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

927 (vii) a hospitality amenity license; or

928 (b) a [resort] spa sublicense.

929 [~~(132)~~] (133) "Supplier" means a person who sells an alcoholic product to the
930 department.

931 [~~(133)~~] (134) "Tavern" means an on-premise beer retailer who is:

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

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

936 [~~(134)~~] (135) "Temporary beer event permit" means a permit issued in accordance with
937 Chapter 9, Part 4, Temporary Beer Event Permit.

938 [~~(135)~~] (136) "Temporary domicile" means the principal place of abode within Utah of
939 a person who does not have a present intention to continue residency within Utah permanently
940 or indefinitely.

941 [~~(136)~~] (137) "Translucent" means a substance that allows light to pass through, but
942 does not allow an object or person to be seen through the substance.

943 [~~(137)~~] (138) "Unsaleable liquor merchandise" means a container that:

944 (a) is unsaleable because the container is:

945 (i) unlabeled;

946 (ii) leaky;

947 (iii) damaged;

948 (iv) difficult to open; or

949 (v) partly filled;

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

951 (ii) has contents that are:

952 (A) cloudy;

953 (B) spoiled; or

954 (C) chemically determined to be impure; or

955 (iii) contains:

956 (A) sediment; or

957 (B) a foreign substance; or

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

959 [~~(138)~~] (139) (a) "Wine" means an alcoholic product obtained by the fermentation of
960 the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or
961 not another ingredient is added.

962 (b) "Wine" includes:

963 (i) an alcoholic beverage defined as wine under 27 U.S.C. Sec. 211 and 27 C.F.R. Sec.
964 4.10; and

965 (ii) hard cider.

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

968 [~~(139)~~] (140) "Winery manufacturing license" means a license issued in accordance
969 with Chapter 11, Part 3, Winery Manufacturing License.

970 Section 2. Section **32B-1-202.1** is amended to read:

971 **32B-1-202.1. Proximity for certain and arena hotel licensees.**

972 (1) As used in this section, "hotel" means the same as that term is defined in Section
973 [32B-8b-102](#).

974 (2) The commission may issue a hotel license for a proposed location that does not
975 meet the proximity requirements under Section [32B-1-202](#), if:

976 (a) the proposed hotel is:

977 (i) located in a city classified as a city of the first class under Section [10-2-301](#);

978 (ii) within 600 feet of two community locations, as measured from the nearest patron
979 entrance of the proposed hotel by following the shortest route of ordinary pedestrian travel to
980 the property boundary of each community location;

981 (iii) not within 300 feet of a community location, as measured from the nearest patron
982 entrance of the proposed hotel by following the shortest route of ordinary pedestrian travel to
983 the property boundary of the community location; and

984 (iv) not within 200 feet of a community location, as measured in a straight line from
985 the nearest patron entrance of the proposed hotel to the nearest property boundary of the
986 community location;

987 (b) the proposed sublicensed premises of a bar establishment sublicense under the hotel
988 license:

989 (i) is on the second or higher floor of a hotel;
990 (ii) is not accessible at street level; and
991 (iii) is only accessible to an individual who passes through another area of the hotel in
992 which the bar establishment sublicense is located; and

993 (c) the applicant meets all other criteria under this title for the hotel license.

994 (3) The commission may issue authority to operate as a package agency to a hotel
995 licensee who meets the requirements described in Subsection (2).

996 (4) (a) The commission may issue an arena license for a proposed location that does
997 not meet the proximity requirements described in Section 32B-1-202, if, on the day before the
998 day on which the commission issues the license, each proposed sublicense of the arena license:

999 (i) operates as an outlet or restaurant; and

1000 (ii) (A) operates on the proposed sublicense premises under a variance to one or more
1001 proximity requirements in accordance with Section 32B-1-202; or

1002 (B) has been in operation on the proposed sublicense premises for at least 10 years.

1003 (b) After the commission issues an arena license in accordance with Subsection (4)(a),
1004 the commission may not issue the arena licensee an additional sublicense.

1005 Section 3. Section **32B-1-603** is amended to read:

1006 **32B-1-603. Power of the commission and department to classify flavored malt**
1007 **beverages.**

1008 (1) The commission and department shall regulate a flavored malt beverage as liquor.

1009 (2) (a) The department shall make available to the public on the Internet a list of the
1010 flavored malt beverages authorized to be sold in this state as liquor.

1011 (b) The list described in Subsection (2)(a) shall be updated at least quarterly.

1012 (3) (a) A manufacturer shall file, under penalty of perjury, a report with the department
1013 listing each flavored malt beverage manufactured by the manufacturer that the manufacturer
1014 wants to distribute in this state subject to the manufacturer holding:

1015 (i) a brewery manufacturing license issued in accordance with Chapter 11, Part 5,
1016 Brewery Manufacturing License; or

1017 (ii) a certificate of approval.

1018 (b) A manufacturer may not distribute or sell in this state a flavored malt beverage if
1019 the manufacturer does not list the flavored malt beverage in a filing with the department in

1020 accordance with this Subsection (3) before distributing or selling the flavored malt beverage.

1021 (4) The department may require a manufacturer of a flavored malt beverage to provide
1022 the department with a copy of the following filed with the federal Alcohol and Tobacco Tax
1023 and Trade Bureau, pursuant to 27 C.F.R. Sec. 25.55:

1024 (a) a statement of process; or

1025 (b) a formula.

1026 (5) (a) A manufacturer of an alcoholic product that the department is classifying or
1027 proposes to classify as a flavored malt beverage may submit evidence to the department that
1028 [its] the manufacturer's alcoholic product should not be treated as liquor under this section
1029 because [the alcoholic product:] no formula for the alcoholic product is required to be filed for
1030 a reason described in:

1031 (i) Subsection 32B-1-102(44)(a)(ii), as shown by a determination issued by the federal
1032 Alcohol and Tobacco Tax and Trade Bureau; or

1033 (ii) Subsection 32B-1-102(44)(a)(iii).

1034 ~~[(i) is obtained by fermentation, infusion, or decoction of a malted grain;]~~

1035 ~~[(ii) is produced by processing, filtration, or another method of manufacture that is~~
1036 ~~generally recognized as a traditional process in the production of beer as described in 27 C.F.R.~~
1037 ~~Sec. 25.55;]~~

1038 ~~[(iii) does not have added to it a flavor or other ingredient containing alcohol, except~~
1039 ~~for a hop extract; and]~~

1040 ~~[(iv) (A) is not one for which the producer is required to file a formula for approval~~
1041 ~~with the federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55;~~
1042 ~~or]~~

1043 ~~[(B) is exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55;]~~

1044 (b) The department shall review the evidence submitted by the manufacturer under this
1045 Subsection (5).

1046 (c) The department shall make available to the public on the Internet a list of the
1047 alcoholic products authorized under this Subsection (5) to be sold as beer in this state.

1048 (d) A decision of the department under this Subsection (5) may be appealed to the
1049 commission.

1050 Section 4. Section **32B-1-604** is amended to read:

1051 **32B-1-604. Requirements for labeling and packaging -- Authority of the**
1052 **commission and department.**

1053 (1) A manufacturer may not distribute or sell a malted beverage:

1054 (a) unless the label and packaging of the malted beverage:

1055 (i) complies with the federal label requirements of 27 C.F.R. Parts 7, 13, and 16; and

1056 (ii) clearly gives notice to the public that the malted beverage is an alcoholic product;

1057 and

1058 (b) until the day on which the department in accordance with this title and rules of the

1059 commission approves the label and packaging of the malted beverage.

1060 (2) The department shall review the label and packaging of a malted beverage to ensure

1061 that the label and packaging meet the requirements of Subsection (1)(a).

1062 (3) Except as otherwise required under Section [32B-1-606](#), a manufacturer may comply

1063 with the requirement of Subsection (1)(a)(ii) by including on a label and packaging for a

1064 malted beverage any of the following terms in obvious and clearly visible contrast to the

1065 background of the text:

1066 (a) beer;

1067 (b) ale;

1068 (c) porter;

1069 (d) stout;

1070 (e) lager;

1071 (f) lager beer; [~~or~~]

1072 (g) hard seltzer;

1073 (h) spiked seltzer; or

1074 [~~(g)~~] (i) another class or type designation commonly applied to a malted beverage that

1075 conveys by a recognized term that the product contains alcohol.

1076 Section 5. Section **32B-1-605** is amended to read:

1077 **32B-1-605. General procedure for approval.**

1078 (1) To obtain approval of the label and packaging of a malted beverage, the

1079 manufacturer of the malted beverage shall submit an application to the department for

1080 approval.

1081 (2) The application described in Subsection (1) shall be on a form approved by the

1082 department and include the following for each brand and label for which the manufacturer
1083 seeks approval:

1084 (a) (i) a copy of a federal certificate of label approval from the United States
1085 Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau; or

1086 (ii) if the United States Department of Treasury, Alcohol and Tobacco Tax and Trade
1087 Bureau does not require label approval, a copy of formula approval from the United States
1088 Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau;

1089 (b) a complete set of original labels for each size of container of the malted beverage;

1090 (c) a description of the size of the container on which a label will be placed;

1091 (d) a description of each type of container of the malted beverage; and

1092 (e) a description of any packaging for the malted beverage.

1093 (3) The department may assess a reasonable fee for reviewing a label and packaging for
1094 approval.

1095 (4) (a) The department shall notify a manufacturer within 30 days after the day on
1096 which the manufacturer submits ~~[an]~~ a complete application whether the label and packaging is
1097 approved or denied.

1098 (b) If the department determines that an unusual circumstance requires additional time,
1099 the department may extend the time period described in Subsection (4)(a).

1100 (5) A manufacturer shall obtain the approval of the department of a revision of a
1101 previously approved label and packaging before a malted beverage using the revised label and
1102 packaging may be distributed or sold in this state.

1103 (6) (a) The department may revoke a label and packaging previously approved upon a
1104 finding that the label and packaging is not in compliance with this title or rules of the
1105 commission.

1106 (b) The department shall notify the ~~[person who applies for the approval of a]~~
1107 manufacturer who applied for an approved label and packaging at least ~~[five]~~ 30 business days
1108 before the day on which ~~[a]~~ the label and packaging approval is considered revoked.

1109 (c) ~~[After receiving]~~ Within 20 business days after the day on which a manufacturer
1110 receives the notice under Subsection (6)(b), ~~[a]~~ the manufacturer may present written argument
1111 or evidence to the department on why the revocation should not occur.

1112 (7) (a) A manufacturer that applies for approval of a label and packaging may appeal a

1113 denial or revocation of a label and packaging approval to the commission.

1114 (b) During the period in which a manufacturer appeals a denial or revocation of a label
1115 and packaging approval to the commission, as permitted under Subsection (7)(a), the denial or
1116 revocation shall remain in force.

1117 Section 6. Section **32B-1-606** is amended to read:

1118 **32B-1-606. Special procedure for certain malted beverages.**

1119 (1) A manufacturer of a malted beverage may not distribute or sell the malted beverage
1120 in the state until the day on which the manufacturer receives approval of the labeling and
1121 packaging from the department in accordance with:

1122 (a) Sections **32B-1-604** and **32B-1-605**; and

1123 (b) this section, if the malted beverage is labeled or packaged in a manner that is:

1124 (i) similar to a label or packaging used for a nonalcoholic beverage; or

1125 (ii) likely to confuse or mislead a patron to believe the malted beverage is a
1126 nonalcoholic beverage.

1127 (2) The department may not approve the labeling and packaging of a malted beverage
1128 described in Subsection (1) unless in addition to the requirements of Section **32B-1-604** the
1129 labeling and packaging complies with the following:

1130 (a) the front of the label on the malted beverage bears a prominently displayed label or
1131 a firmly affixed sticker that provides the following information in a font that measures at least
1132 three millimeters high and is in obvious and clearly visible contrast to the background of the
1133 text:

1134 (i) the statement:

1135 (A) "alcoholic beverage"; or

1136 (B) "contains alcohol"; and

1137 (ii) the alcohol content of the malted beverage, if the alcohol content is not otherwise
1138 provided:

1139 (A) in a serving facts statement on the container; and

1140 (B) in a format allowed by the Federal Alcohol and Tobacco Tax Trade Bureau;

1141 (b) the packaging of the malted beverage prominently includes, either imprinted on the
1142 packaging or imprinted on a sticker firmly affixed to the packaging in a font that measures at
1143 least three millimeters high and is in obvious and clearly visible contrast to the background of

1144 the text, the statement:

1145 (i) "alcoholic beverage"; or

1146 (ii) "contains alcohol";

1147 (c) a statement required by Subsection (2)(a) or (b) appears in a format required by rule

1148 made by the commission; and

1149 (d) a statement of alcohol content required by Subsection (2)(a)(ii):

1150 (i) states the alcohol content as a percentage of alcohol by volume or by weight; and

1151 (ii) is in a format required by rule made by the commission.

1152 (3) The department may reject a label or packaging that appears designed to obscure
1153 the information required by Subsection (2).

1154 (4) To determine whether a malted beverage is described in Subsection (1) and subject
1155 to this section, the department may consider in addition to other factors one or more of the
1156 following factors:

1157 (a) whether the coloring, carbonation, and packaging of the malted beverage:

1158 (i) is similar to those of a nonalcoholic beverage or product; or

1159 (ii) can be confused with a nonalcoholic beverage;

1160 (b) whether the malted beverage possesses a character and flavor distinctive from a
1161 traditional malted beverage;

1162 (c) whether the malted beverage:

1163 (i) is prepackaged;

1164 (ii) contains high levels of caffeine and other additives; and

1165 (iii) is marketed as a beverage that is specifically designed to provide energy;

1166 (d) whether the malted beverage contains added sweetener or sugar substitutes; or

1167 (e) whether the malted beverage contains an added fruit flavor or other flavor that
1168 masks the taste of a traditional malted beverage.

1169 Section 7. Section **32B-1-701** is amended to read:

1170 **32B-1-701. Definitions.**

1171 As used in this part:

1172 (1) "Off-premise retail manager" means an individual who manages operations at a
1173 premises that is licensed under Chapter 7, Off-Premise Beer Retailer Act.

1174 (2) (a) "Off-premise retail staff" means an individual who sells beer at a premises that

1175 is licensed under Chapter 7, Off-Premise Beer Retailer Act.

1176 (b) "Off-premise retail staff" does not include an off-premise retail manager.

1177 (3) "Retail manager" means an individual who:

1178 (a) manages operations at a premises that is licensed under [~~this chapter~~] Chapter 5,

1179 Retail License Act; or

1180 (b) supervises the furnishing of an alcoholic product at a premises that is licensed

1181 under [~~this chapter~~] Chapter 5, Retail License Act.

1182 (4) (a) "Retail staff" means an individual who serves an alcoholic product at a premises

1183 licensed under [~~this chapter~~] Chapter 5, Retail License Act.

1184 (b) "Retail staff" does not include a retail manager.

1185 Section 8. Section **32B-1-704** is amended to read:

1186 **32B-1-704. Department training programs.**

1187 (1) No later than January 1, 2018, the department shall develop the following training
1188 programs that are provided either in-person or online:

1189 (a) a training program for retail managers that addresses:

1190 (i) the statutes and rules that govern alcohol sales and consumption in the state;

1191 (ii) the requirements for operating as a retail licensee;

1192 (iii) using compliance assistance from the department; and

1193 (iv) any other topic the department determines beneficial to a retail manager; and

1194 (b) a training program for an individual employed by a retail licensee or an off-premise

1195 beer retailer who violates a provision of this title related to the sale, service, or furnishing of an
1196 alcoholic beverage to an intoxicated individual or a minor, that addresses:

1197 (i) the statutes and rules that govern the most common types of violations under this
1198 title;

1199 (ii) how to avoid common violations; and

1200 (iii) any other topic the department determines beneficial to the training program.

1201 (2) No later than January 1, 2019, the department shall develop a training program for
1202 off-premise retail managers that is provided either in-person or online and addresses:

1203 (a) the statutes and rules that govern sales at an off-premise beer retailer;

1204 (b) the requirements for operating an off-premise beer retailer;

1205 (c) using compliance assistance from the department; and

1206 (d) any other topic the department determines beneficial to an off-premise retail
1207 manager.

1208 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
1209 the provisions of this section, the department shall make rules to develop and implement the
1210 training programs described in this section, including rules that establish:

1211 (a) the requirements for each training program described in this section;

1212 (b) measures that accurately identify each individual who takes and completes a
1213 training program;

1214 (c) measures that ensure an individual taking a training program is focused and actively
1215 engaged in the training material throughout the training program;

1216 (d) a record that certifies that an individual has completed a training program; and

1217 (e) a fee for participation in a training program to cover the department's cost of
1218 providing the training program.

1219 (4) (a) [~~Except as provided in Subsection (5), each~~] Each retail manager shall complete
1220 the training described in Subsection (1)(a) no later than the later of:

1221 (i) 30 days after the day on which the retail manager is hired; or

1222 (ii) [~~30 days after~~] the day on which the retail licensee obtains a retail license [~~under~~
1223 ~~this chapter~~].

1224 (b) [~~Except as provided in Subsection (5), each~~] Each off-premise retail manager shall
1225 complete the training described in Subsection (2) no later than the later of:

1226 (i) 30 days after the day on which the off-premise retail manager is hired; or

1227 (ii) 30 days after the day on which the off-premise beer retailer obtains an off-premise
1228 beer retailer state license.

1229 (c) (i) If the commission finds that a retail licensee violated a provision of this title
1230 related to the sale, service, or furnishing of an alcoholic beverage to an intoxicated individual
1231 or a minor for a second time within 36 consecutive months after the day on which the first
1232 violation was adjudicated, the violator, all retail staff, and each retail manager shall complete
1233 the training program described in Subsection (1)(b).

1234 (ii) If the commission finds that an off-premise beer retailer violated a provision of this
1235 title related to the sale, service, or furnishing of an alcoholic beverage to an intoxicated
1236 individual or a minor for a second time within 36 consecutive months after the day on which

1237 the first violation was adjudicated, the violator and each off-premise retail manager shall
1238 complete the training program described in Subsection (1)(b).

1239 ~~[(5)(a) For a person who holds a retail license on January 1, 2018, each retail manager~~
1240 ~~shall complete the training program described in Subsection (1)(a) for the first time as a~~
1241 ~~condition of renewing the licensee's retail license in 2018.]~~

1242 ~~[(b) For a person who holds an off-premise beer retailer state license on January 1,~~
1243 ~~2019, each off-premise retail manager shall complete the training program described in~~
1244 ~~Subsection (1)(b) for the first time as a condition of renewing the licensee's off-premise beer~~
1245 ~~retailer state license in 2019.]~~

1246 ~~[(6)]~~ (5) If an individual fails to complete a required training program under this
1247 section:

1248 (a) the commission may suspend, revoke, or not renew the retail license or off-premise
1249 beer retailer state license;

1250 (b) a city, town, metro township, or county in which the retail licensee or off-premise
1251 beer retailer is located may suspend, revoke, or not renew the retail licensee's or off-premise
1252 beer retailer's business license; or

1253 (c) a local authority may suspend, revoke, or not renew the off-premise beer retailer's
1254 license.

1255 Section 9. Section **32B-2-101** is amended to read:

1256 **32B-2-101. Title.**

1257 This chapter is known as the "Alcoholic Beverage [~~Control~~] Services Administration
1258 Act."

1259 Section 10. Section **32B-2-201** is amended to read:

1260 **32B-2-201. Alcoholic Beverage Services Commission created.**

1261 (1) There is created the "Alcoholic Beverage [~~Control~~] Services Commission." The
1262 commission is the governing board over the department.

1263 (2) (a) The commission is composed of seven part-time commissioners appointed by
1264 the governor with the advice and consent of the Senate in accordance with Title 63G, Chapter
1265 24, Part 2, Vacancies.

1266 (b) No more than four commissioners may be of the same political party.

1267 (3) (a) Except as required by Subsection (3)(b), as terms of commissioners expire, the

1268 governor shall appoint each new commissioner or reappointed commissioner to a four-year
1269 term.

1270 (b) Notwithstanding the requirements of Subsection (3)(a), the governor shall, at the
1271 time of appointment or reappointment, adjust the length of terms to ensure that the terms of no
1272 more than three commissioners expire in a fiscal year.

1273 (4) (a) When a vacancy occurs on the commission for any reason, the governor shall
1274 appoint a replacement for the unexpired term with the advice and consent of the Senate.

1275 (b) Unless removed in accordance with Subsection (6), a commissioner shall remain on
1276 the commission after the expiration of a term until a successor is appointed by the governor,
1277 with the advice and consent of the Senate.

1278 (5) A commissioner shall take the oath of office.

1279 (6) (a) The governor may remove a commissioner from the commission for cause,
1280 neglect of duty, inefficiency, or malfeasance after a public hearing conducted by:

1281 (i) the governor; or

1282 (ii) an impartial hearing examiner appointed by the governor to conduct the hearing.

1283 (b) At least 10 days before the hearing described in Subsection (6)(a), the governor
1284 shall provide the commissioner notice of:

1285 (i) the date, time, and place of the hearing; and

1286 (ii) the alleged grounds for the removal.

1287 (c) The commissioner shall have an opportunity to:

1288 (i) attend the hearing;

1289 (ii) present witnesses and other evidence; and

1290 (iii) confront and cross examine witnesses.

1291 (d) After a hearing under this Subsection (6):

1292 (i) the person conducting the hearing shall prepare written findings of fact and
1293 conclusions of law; and

1294 (ii) the governor shall serve a copy of the prepared findings and conclusions upon the
1295 commissioner.

1296 (e) If a hearing under this Subsection (6) is held before a hearing examiner, the hearing
1297 examiner shall issue a written recommendation to the governor in addition to complying with
1298 Subsection (6)(d).

1299 (f) A commissioner has five days from the day on which the commissioner receives the
1300 findings and conclusions described in Subsection (6)(d) to file written objections to the
1301 recommendation before the governor issues a final order.

1302 (g) The governor shall:

1303 (i) issue the final order under this Subsection (6) in writing; and

1304 (ii) serve the final order upon the commissioner.

1305 (7) A commissioner may not receive compensation or benefits for the commissioner's
1306 service, but may receive per diem and travel expenses in accordance with:

1307 (a) Section 63A-3-106;

1308 (b) Section 63A-3-107; and

1309 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
1310 63A-3-107.

1311 (8) (a) (i) The governor shall annually appoint the chair of the commission.

1312 (ii) A commissioner serves as chair to the commission at the pleasure of the governor.

1313 (iii) If removed as chair, the commissioner continues to serve as a commissioner unless
1314 removed as a commissioner under Subsection (6).

1315 (b) The commission shall elect:

1316 (i) another commissioner to serve as vice chair; and

1317 (ii) other commission officers as the commission considers advisable.

1318 (c) A commissioner elected under Subsection (8)(b) shall serve in the office to which
1319 the commissioner is elected at the pleasure of the commission.

1320 (9) (a) Each commissioner has equal voting rights on a commission matter when in
1321 attendance at a commission meeting.

1322 (b) Four commissioners is a quorum for conducting commission business.

1323 (c) A majority vote of the quorum present at a meeting is required for the commission
1324 to act.

1325 (d) A commissioner shall comply with the conflict of interest provisions described in
1326 Title 63G, Chapter 24, Part 3, Conflicts of Interest.

1327 (10) (a) The commission shall meet at least monthly, but may hold other meetings at
1328 times and places as scheduled by:

1329 (i) the commission;

1330 (ii) the chair; or
1331 (iii) three commissioners upon filing a written request for a meeting with the chair.

1332 (b) (i) Notice of the time and place of a commission meeting shall be given to each
1333 commissioner, and to the public in compliance with Title 52, Chapter 4, Open and Public
1334 Meetings Act.

1335 (ii) A commission meeting is open to the public, except for a commission meeting or
1336 portion of a commission meeting that is closed by the commission as authorized by Sections
1337 52-4-204 and 52-4-205.

1338 Section 11. Section 32B-2-202 is amended to read:

1339 **32B-2-202. Powers and duties of the commission.**

1340 (1) The commission shall:

1341 (a) consistent with the policy established by the Legislature by statute, act as a general
1342 policymaking body on the subject of alcoholic product control;

1343 (b) adopt and issue policies, rules, and procedures;

1344 (c) set policy by written rules that establish criteria and procedures for:

1345 (i) issuing, denying, not renewing, suspending, or revoking a package agency, license,
1346 permit, or certificate of approval; and

1347 (ii) determining the location of a state store, package agency, or retail licensee;

1348 (d) decide within the limits, and under the conditions imposed by this title, the number
1349 and location of state stores, package agencies, and retail licensees in the state;

1350 (e) issue, deny, suspend, revoke, or not renew the following package agencies, licenses,
1351 sublicenses, permits, or certificates of approval for the purchase, storage, sale, offer for sale,
1352 furnishing, consumption, manufacture, and distribution of an alcoholic product:

1353 (i) a package agency;

1354 (ii) a full-service restaurant license;

1355 (iii) a master full-service restaurant license;

1356 (iv) a limited-service restaurant license;

1357 (v) a master limited-service restaurant license;

1358 (vi) a bar establishment license;

1359 (vii) an airport lounge license;

1360 (viii) an on-premise banquet license;

- 1361 (ix) a resort license, which includes four or more sublicenses;
1362 (x) an on-premise beer retailer license;
1363 (xi) a reception center license;
1364 (xii) a beer-only restaurant license;
1365 (xiii) a hotel license, which includes three or more sublicenses;
1366 (xiv) an arena license, which includes three or more sublicenses;
1367 (xv) a hospitality amenity license;
1368 (xvi) subject to Subsection [~~(4)~~] (5), a single event permit;
1369 (xvii) subject to Subsection [~~(4)~~] (5), a temporary beer event permit;
1370 (xviii) a special use permit;
1371 (xix) a manufacturing license;
1372 (xx) a liquor warehousing license;
1373 (xxi) a beer wholesaling license;
1374 (xxii) a liquor transport license;
1375 (xxiii) an off-premise beer retailer state license;
1376 (xxiv) a master off-premise beer retailer state license;
1377 (xxv) one of the following that holds a certificate of approval:
1378 (A) an out-of-state brewer;
1379 (B) an out-of-state importer of beer, heavy beer, or flavored malt beverages; and
1380 (C) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; and
1381 (xxvi) a [resort] spa sublicense;
1382 (f) issue, deny, suspend, or revoke the following conditional licenses:
1383 (i) a conditional retail license as defined in Section 32B-5-205; and
1384 (ii) a conditional off-premise beer retailer state license as defined in Section
1385 32B-7-406;
1386 (g) prescribe the duties of the department in assisting the commission in issuing a
1387 package agency, license, permit, or certificate of approval under this title;
1388 (h) to the extent a fee is not specified in this title, establish a fee allowed under this title
1389 in accordance with Section 63J-1-504;
1390 (i) fix prices at which liquor is sold that are the same at all state stores, package
1391 agencies, and retail licensees;

- 1392 (j) issue and distribute price lists showing the price to be paid by a purchaser for each
1393 class, variety, or brand of liquor kept for sale by the department;
- 1394 (k) (i) require the director to follow sound management principles; and
1395 (ii) require periodic reporting from the director to ensure that:
1396 (A) sound management principles are being followed; and
1397 (B) policies established by the commission are being observed;
- 1398 (l) (i) receive, consider, and act in a timely manner upon the reports, recommendations,
1399 and matters submitted by the director to the commission; and
1400 (ii) do the things necessary to support the department in properly performing the
1401 department's duties;
- 1402 (m) obtain temporarily and for special purposes the services of an expert or person
1403 engaged in the practice of a profession, or a person who possesses a needed skill if:
1404 (i) considered expedient; and
1405 (ii) approved by the governor;
- 1406 (n) prescribe by rule the conduct, management, and equipment of premises upon which
1407 an alcoholic product may be stored, sold, offered for sale, furnished, or consumed;
- 1408 (o) make rules governing the credit terms of beer sales within the state to retail
1409 licensees; and
- 1410 (p) in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, take
1411 disciplinary action against a person subject to administrative action.
- 1412 (2) Consistent with the policy established by the Legislature by statute, the power of
1413 the commission to do the following is plenary, except as otherwise provided by this title, and
1414 not subject to review:
- 1415 (a) establish a state store;
1416 (b) issue authority to act as a package agent or operate a package agency; and
1417 (c) issue, deny, or deem forfeit a license, permit, or certificate of approval.
- 1418 (3) (a) Subject to Subsection (3)(b), the commission may:
1419 (i) make rules permitting and establishing the parameters of a late license renewal; and
1420 (ii) establish a fee, in accordance with Section [63J-1-504](#), for a late license renewal.
1421 (b) The commission may not allow for the late renewal of a license after the later of:
1422 (i) the tenth day of the month after the month in which the license type is required to be

1423 renewed; or

1424 (ii) if the tenth day of the month after the month in which the license type is required to
1425 be renewed falls on a Saturday, Sunday, or state or federal holiday, the first business day after
1426 the Saturday, Sunday, or holiday.

1427 [~~(3)~~] (4) If the commission is authorized or required to make a rule under this title, the
1428 commission shall make the rule in accordance with Title 63G, Chapter 3, Utah Administrative
1429 Rulemaking Act.

1430 [~~(4)~~] (5) Notwithstanding Subsections (1)(e)(xvi) and (xvii), the director or deputy
1431 director may issue an event permit in accordance with Chapter 9, Event Permit Act.

1432 Section 12. Section **32B-2-203** is amended to read:

1433 **32B-2-203. Department of Alcoholic Beverage Services created.**

1434 (1) There is created the Department of Alcoholic Beverage [~~Control~~] Services. The
1435 department is governed by the commission.

1436 (2) The director of alcoholic beverage [~~control~~] services appointed under Section
1437 **32B-2-205** shall administer the department.

1438 (3) The director shall allocate the duties within the department into the divisions,
1439 bureaus, sections, offices, and committees as the director considers necessary for the
1440 administration of this title.

1441 (4) The department shall cooperate with any other recognized agency in the
1442 administration of this title and in the enforcement of a policy or rule of the commission or
1443 policy of the director.

1444 Section 13. Section **32B-2-205** is amended to read:

1445 **32B-2-205. Director of alcoholic beverage services.**

1446 (1) (a) In accordance with Subsection (1)(b), the governor, with the advice and consent
1447 of the Senate, shall appoint a director of alcoholic beverage [~~control~~] services to a four-year
1448 term. The director may be appointed to more than one four-year term. The director is the
1449 administrative head of the department.

1450 (b) (i) The governor shall appoint the director from nominations made by the
1451 commission.

1452 (ii) The commission shall submit the nomination of three individuals to the governor
1453 for appointment of the director.

1454 (iii) By no later than 30 calendar days from the day on which the governor receives the
1455 three nominations submitted by the commission, the governor may:

1456 (A) appoint the director; or

1457 (B) reject the three nominations.

1458 (iv) If the governor rejects the nominations or fails to take action within the 30-day
1459 period, the commission shall nominate three different individuals from which the governor may
1460 appoint the director or reject the nominations until such time as the governor appoints the
1461 director.

1462 (v) The governor may reappoint the director without seeking nominations from the
1463 commission. Reappointment of a director is subject to the advice and consent of the Senate.

1464 (c) (i) If there is a vacancy in the position of director, during the nomination process
1465 described in Subsection (1)(b), the governor may appoint an interim director for a period of up
1466 to 30 calendar days.

1467 (ii) If a director is not appointed within the 30-day period, the interim director may
1468 continue to serve beyond the 30-day period subject to the advice and consent of the Senate at
1469 the next scheduled time for the Senate giving consent to appointments of the governor.

1470 (iii) Except that if the Senate does not act on the consent to the appointment of the
1471 interim director within 60 days of the end of the initial 30-day period, the interim director may
1472 continue as the interim director.

1473 (d) The director may be terminated by:

1474 (i) the commission by a vote of four commissioners; or

1475 (ii) the governor after consultation with the commission.

1476 (e) The director may not be a commissioner.

1477 (f) The director shall:

1478 (i) be qualified in administration;

1479 (ii) be knowledgeable by experience and training in the field of business management;

1480 and

1481 (iii) possess any other qualification prescribed by the commission.

1482 (2) The governor shall establish the director's compensation within the salary range
1483 fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation.

1484 (3) The director shall:

- 1485 (a) carry out the policies of the commission;
1486 (b) carry out the policies of the department;
1487 (c) fully inform the commission of the operations and administrative activities of the
1488 department; and
1489 (d) assist the commission in the proper discharge of the commission's duties.

1490 Section 14. Section **32B-2-210** is amended to read:

1491 **32B-2-210. Alcoholic Beverage Services Advisory Board.**

1492 (1) There is created within the department an advisory board known as the "Alcoholic
1493 Beverage [~~Control~~] Services Advisory Board."

1494 (2) The advisory board shall consist of eight voting members and one nonvoting
1495 member as follows:

1496 (a) four voting members appointed by the commission:

- 1497 (i) one of whom represents the retail alcohol industry;
1498 (ii) one of whom represents the wholesale alcohol industry;
1499 (iii) one of whom represents the alcohol manufacturing industry; and
1500 (iv) one of whom represents the restaurant industry;

1501 (b) two voting members appointed by the commission, each of whom represents an
1502 organization that addresses alcohol or drug abuse prevention, alcohol or drug related
1503 enforcement, or alcohol or drug related education;

1504 (c) the director of the Division of Substance Abuse and Mental Health or the director's
1505 designee who serves as a voting member;

1506 (d) the chair of the Utah Substance Use and Mental Health Advisory Council, or the
1507 chair's designee, who serves as a voting member; and

1508 (e) the chair of the commission or the chair's designee from the members of the
1509 commission, who serves as a nonvoting member.

1510 (3) (a) Except as required by Subsection (3)(b), as terms of current voting members of
1511 the advisory board expire, the commission shall appoint each new member or reappointed
1512 member to a four-year term beginning July 1 and ending June 30.

1513 (b) Notwithstanding the requirements of Subsection (3)(a), the commission shall, at the
1514 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
1515 voting advisory board members are staggered so that approximately half of the advisory board

1516 is appointed every two years.

1517 (c) No two members of the board may be employed by the same company or nonprofit
1518 organization.

1519 (4) (a) When a vacancy occurs in the membership for any reason, the commission shall
1520 appoint a replacement for the unexpired term.

1521 (b) The commission shall terminate the term of a voting advisory board member who
1522 ceases to be representative as designated by the member's original appointment.

1523 (5) The advisory board shall meet as called by the chair for the purpose of advising the
1524 commission and the department, with discussion limited to administrative rules made under
1525 this title.

1526 (6) The chair of the commission or the chair's designee shall serve as the chair of the
1527 advisory board and call the necessary meetings.

1528 (7) (a) Five members of the board constitute a quorum of the board.

1529 (b) An action of the majority when a quorum is present is the action of the board.

1530 (8) The department shall provide staff support to the advisory board.

1531 (9) A member may not receive compensation or benefits for the member's service, but
1532 may receive per diem and travel expenses in accordance with:

1533 (a) Section 63A-3-106;

1534 (b) Section 63A-3-107; and

1535 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
1536 63A-3-107.

1537 Section 15. Section 32B-2-301 is amended to read:

1538 **32B-2-301. State property -- Liquor Control Fund -- Money to be retained by**
1539 **department -- Department building process.**

1540 (1) As used in this section, "base budget" means the same as that term is defined in
1541 legislative rule.

1542 (2) The following are property of the state:

1543 (a) the money received in the administration of this title, except as otherwise provided;
1544 and

1545 (b) property acquired, administered, possessed, or received by the department.

1546 (3) (a) There is created an enterprise fund known as the "Liquor Control Fund."

1547 (b) Except as provided in ~~[Section]~~ Sections [32B-2-304](#), [32B-2-305](#), and [32B-2-306](#),
 1548 the department shall deposit the following into the Liquor Control Fund:

1549 (i) money received in the administration of this title; and

1550 (ii) money received from the markup described in Section [32B-2-304](#)~~[-and]~~.

1551 ~~[(iii) money credited under Subsection (4).]~~

1552 (c) The department may draw from the Liquor Control Fund only to the extent
 1553 appropriated by the Legislature or provided by statute.

1554 (d) The net position of the Liquor Control Fund may not fall below zero.

1555 ~~[(4)(a) The department shall deposit 0.125% of the total gross revenue from the sale of
 1556 liquor with the state treasurer to be credited to the Liquor Control Fund.]~~

1557 ~~[(b) The department shall deposit 0.27% of the total gross revenue from the sale of
 1558 liquor with the state treasurer, as determined by the total gross revenue collected for the fiscal
 1559 year two years preceding the fiscal year for which the deposit is made, to be credited to the
 1560 Liquor Control Fund.]~~

1561 ~~[(5)]~~ (4) (a) Notwithstanding Subsection (3)(c), the department may draw by warrant
 1562 from the Liquor Control Fund without an appropriation for an expenditure that is directly
 1563 incurred by the department:

1564 (i) to purchase an alcoholic product;

1565 (ii) to transport an alcoholic product from the supplier to a warehouse of the
 1566 department; or

1567 (iii) for variances related to an alcoholic product, including breakage or theft.

1568 (b) If the balance of the Liquor Control Fund is not adequate to cover a warrant that the
 1569 department draws against the Liquor Control Fund, to the extent necessary to cover the
 1570 warrant, the cash resources of the General Fund may be used.

1571 ~~[(6)]~~ (5) The department's base budget shall include as an appropriation from the
 1572 Liquor Control Fund:

1573 (a) credit card related fees paid by the department;

1574 (b) package agency compensation;

1575 (c) the department's costs of shipping and warehousing alcoholic products; and

1576 (d) the amount needed, as the Division of Human Resource Management determines,
 1577 to make the median department salary in the previous fiscal year equal the median market

1578 salary in the previous fiscal year for the following positions:

- 1579 (i) state store manager or equivalent;
- 1580 (ii) state store assistant manager or equivalent;
- 1581 (iii) full-time sales clerk at a state store or equivalent;
- 1582 (iv) part-time sales clerk at a state store or equivalent;
- 1583 (v) department warehouse manager or equivalent;
- 1584 (vi) department warehouse assistant manager or equivalent;
- 1585 (vii) full-time department warehouse worker or equivalent; and
- 1586 (viii) part-time department warehouse worker or equivalent.

1587 [~~7~~] (6) (a) The Division of Finance shall transfer annually from the Liquor Control
1588 Fund to the General Fund a sum equal to the amount of net profit earned from the sale of liquor
1589 since the preceding transfer of money under this Subsection [~~7~~] (6).

1590 (b) After each fiscal year, the Division of Finance shall calculate the amount for the
1591 transfer on or before September 1 and the Division of Finance shall make the transfer on or
1592 before September 30.

1593 (c) The Division of Finance may make year-end closing entries in the Liquor Control
1594 Fund to comply with Subsection 51-5-6(2).

1595 [~~8~~] (7) (a) By the end of each day, the department shall:

- 1596 (i) make a deposit to a qualified depository, as defined in Section 51-7-3; and
- 1597 (ii) report the deposit to the state treasurer.

1598 (b) A commissioner or department employee is not personally liable for a loss caused
1599 by the default or failure of a qualified depository.

1600 (c) Money deposited in a qualified depository is entitled to the same priority of
1601 payment as other public funds of the state.

1602 [~~9~~] (8) Before the Division of Finance makes the transfer described in Subsection
1603 [~~7~~] (6), the department may retain each fiscal year from the Liquor Control Fund \$1,000,000
1604 that the department may use for:

- 1605 (a) capital equipment purchases;
- 1606 (b) salary increases for department employees;
- 1607 (c) performance awards for department employees; or
- 1608 (d) information technology enhancements because of changes or trends in technology.

1609 Section 16. Section **32B-2-304** is amended to read:

1610 **32B-2-304. Liquor price -- School lunch program -- Remittance of markup.**

1611 (1) For purposes of this section:

1612 (a) (i) "Landed case cost" means:

1613 (A) the cost of the product; and

1614 (B) inbound shipping costs incurred by the department.

1615 (ii) "Landed case cost" does not include the outbound shipping cost from a warehouse
1616 of the department to a state store.

1617 (b) "Proof gallon" means the same as that term is defined in 26 U.S.C. Sec. 5002.

1618 (2) Except as provided in Subsections (3) and (4):

1619 (a) spirituous liquor sold by the department within the state shall be marked up in an
1620 amount not less than 88% above the landed case cost to the department;

1621 (b) wine sold by the department within the state shall be marked up in an amount not
1622 less than 88% above the landed case cost to the department;

1623 (c) heavy beer sold by the department within the state shall be marked up in an amount
1624 not less than 66.5% above the landed case cost to the department; and

1625 (d) a flavored malt beverage sold by the department within the state shall be marked up
1626 in an amount not less than 88% above the landed case cost to the department.

1627 (3) (a) Liquor sold by the department to a military installation in Utah shall be marked
1628 up in an amount not less than 17% above the landed case cost to the department.

1629 (b) Except for spirituous liquor sold by the department to a military installation in
1630 Utah, spirituous liquor that is sold by the department within the state shall be marked up 49%
1631 above the landed case cost to the department if:

1632 (i) the spirituous liquor is manufactured by a manufacturer producing less than 30,000
1633 proof gallons of spirituous liquor in a calendar year; and

1634 (ii) the manufacturer applies to the department for a reduced markup.

1635 (c) Except for wine sold by the department to a military installation in Utah, wine that
1636 is sold by the department within the state shall be marked up 49% above the landed case cost to
1637 the department if:

1638 (i) (A) except as provided in Subsection (3)(c)(i)(B), the wine is manufactured by a
1639 manufacturer producing less than 20,000 gallons of wine in a calendar year; or

1640 (B) for hard cider, the hard cider is manufactured by a manufacturer producing less
1641 than 620,000 gallons of hard cider in a calendar year; and

1642 (ii) the manufacturer applies to the department for a reduced markup.

1643 (d) Except for heavy beer sold by the department to a military installation in Utah,
1644 heavy beer that is sold by the department within the state shall be marked up 32% above the
1645 landed case cost to the department if:

1646 (i) a small brewer manufactures the heavy beer; and

1647 (ii) the small brewer applies to the department for a reduced markup.

1648 (e) The department shall:

1649 (i) for purposes of Subsections (3)(b) and (c), calculate the production amount of a
1650 manufacturer:

1651 (A) by, if the manufacturer is part of a controlled group of manufacturers, including the
1652 combined volume totals of spirituous liquor, wine, or cider, as applicable, for all manufacturers
1653 that constitute the controlled group of manufacturers; and

1654 (B) without considering the manufacturer's production of any other type of alcoholic
1655 product; and

1656 (ii) verify [an] that a manufacturer meets a production amount described in Subsection
1657 (3)(b)[, (c), or (d)] or (c) and the production amount of a small brewer pursuant to a federal or
1658 other verifiable production report.

1659 ~~[(f) For purposes of determining whether an alcoholic product qualifies for a markup~~
1660 ~~under this Subsection (3), the department shall evaluate whether the manufacturer satisfies the~~
1661 ~~applicable production requirement without considering the manufacturer's production of any~~
1662 ~~other type of alcoholic product.]~~

1663 (f) A manufacturer seeking to obtain a reduced markup under Subsection (3)(b), (c), or
1664 (d), shall provide to the department any documentation or information the department
1665 determines necessary to determine if the manufacturer is part of a controlled group of
1666 manufacturers.

1667 (g) The department may, at any time, revoke a reduced markup granted to a
1668 manufacturer under Subsection (3)(b), (c), or (d), if the department determines the
1669 manufacturer no longer qualifies for the reduced markup.

1670 (4) Wine the department purchases on behalf of a subscriber through the wine

1671 subscription program established in Section 32B-2-702 shall be marked up not less than 88%
1672 above the cost of the subscription for the interval in which the wine is purchased.

1673 (5) The department shall deposit 10% of the total gross revenue from sales of liquor
1674 with the state treasurer to be credited to the Uniform School Fund and used to support the
1675 school meals program administered by the State Board of Education under Section 53E-3-510.

1676 (6) This section does not prohibit the department from selling discontinued items at a
1677 discount.

1678 Section 17. Section 32B-2-602 is amended to read:

1679 **32B-2-602. Application and renewal requirements for a package agency.**

1680 (1) Before a person may store, sell, offer for sale, or furnish liquor in a sealed container
1681 on its premises under a package agency, the person shall first obtain a package agency issued
1682 by the commission in accordance with this part.

1683 (2) To obtain a package agency, a person seeking to be the package agent under this
1684 part shall submit to the department:

1685 (a) a written application in a form prescribed by the department;

1686 (b) a nonrefundable application fee of \$125;

1687 (c) written consent of the local authority;

1688 (d) evidence of proximity to any community location, with proximity requirements
1689 being governed by Section 32B-1-202;

1690 (e) a bond as specified by Section 32B-2-604;

1691 (f) a floor plan of the premises, including a description and highlighting of that part of
1692 the premises in which the person proposes that the package agency be located;

1693 (g) evidence that the package agency is carrying public liability insurance in an amount
1694 and form satisfactory to the department;

1695 (h) a signed consent form stating that the package agent permits any authorized
1696 representative of the commission, department, or any law enforcement officer to have
1697 unrestricted right to enter the premises of the package agency;

1698 (i) if the person applying is an entity, verification that a person who signs the package
1699 agency application is authorized to sign on behalf of the entity; and

1700 (j) any other information the commission or department may require.

1701 (3) The commission may not issue a package agency to a person who is disqualified

1702 under Section [32B-1-304](#).

1703 (4) The commission may not issue a package agency for premises that do not meet the
1704 proximity requirements of Section [32B-1-202](#).

1705 (5) For the renewal of a package agency agreement, the package agent shall submit to
1706 the department any information the commission or department may require.

1707 Section 18. Section **32B-2-605** is amended to read:

1708 **32B-2-605. Operational requirements for package agency.**

1709 (1) (a) A person may not operate a package agency until a package agency agreement is
1710 entered into by the package agent and the department.

1711 (b) A package agency agreement shall state the conditions of operation by which the
1712 package agent and the department are bound.

1713 (c) (i) If a package agent or staff of the package agent violates this title, rules under this
1714 title, or the package agency agreement, the department may take any action against the package
1715 agent that is allowed by the package agency agreement.

1716 (ii) An action against a package agent is governed solely by its package agency
1717 agreement and may include suspension or revocation of the package agency.

1718 (iii) A package agency agreement shall provide procedures to be followed if a package
1719 agent fails to pay money owed to the department including a procedure for replacing the
1720 package agent or operator of the package agency.

1721 (iv) A package agency agreement shall provide that the package agency is subject to
1722 covert investigations for selling an alcoholic product to a minor.

1723 (v) Notwithstanding that this part refers to "package agency" or "package agent," staff
1724 of the package agency or package agent is subject to the same requirement or prohibition.

1725 (2) (a) A package agency shall be operated by an individual who is either:

1726 (i) the package agent; or

1727 (ii) an individual designated by the package agent.

1728 (b) An individual who is a designee under this Subsection (2) shall be:

1729 (i) an employee of the package agent; and

1730 (ii) responsible for the operation of the package agency.

1731 (c) The conduct of the designee is attributable to the package agent.

1732 (d) A package agent shall submit the name of the person operating the package agency

1733 to the department for the department's approval.

1734 (e) A package agent shall state the name and title of a designee on the application for a
1735 package agency.

1736 (f) A package agent shall:

1737 (i) inform the department of a proposed change in the individual designated to operate
1738 a package agency; and

1739 (ii) receive prior approval from the department before implementing the change
1740 described in this Subsection (2)(f).

1741 (g) Failure to comply with the requirements of this Subsection (2) may result in the
1742 immediate termination of a package agency agreement.

1743 (3) (a) A package agent shall display in a prominent place in the package agency the
1744 record issued by the commission that designates the package agency.

1745 (b) A package agent that displays or stores liquor at a location visible to the public
1746 shall display in a prominent place in the package agency a sign in large letters that consists of
1747 text in the following order:

1748 (i) a header that reads: "WARNING";

1749 (ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy
1750 can cause birth defects and permanent brain damage for the child.";

1751 (iii) a statement in smaller font that reads: "Call the Utah Department of Health at
1752 [insert most current toll-free number] with questions or for more information.";

1753 (iv) a header that reads: "WARNING"; and

1754 (v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a
1755 serious crime that is prosecuted aggressively in Utah."

1756 (c) (i) The text described in Subsections (3)(b)(i) through (iii) shall be in a different
1757 font style than the text described in Subsections (3)(b)(iv) and (v).

1758 (ii) The warning statements in the sign described in Subsection (3)(b) shall be in the
1759 same font size.

1760 (d) The Department of Health shall work with the commission and department to
1761 facilitate consistency in the format of a sign required under this section.

1762 (4) A package agency may not display liquor or a price list in a window or showcase
1763 that is visible to passersby.

1764 (5) (a) A package agency may not purchase liquor from a person except from the
1765 department.

1766 (b) At the discretion of the department, the department may provide liquor to a package
1767 agency for sale on consignment.

1768 (6) A package agency may not store, sell, offer for sale, or furnish liquor in a place
1769 other than as designated in the package agent's application, unless the package agent first
1770 applies for and receives approval from the department for a change of location within the
1771 package agency premises.

1772 (7) (a) Except as provided in Subsection (7)(b), a package agency may not sell, offer for
1773 sale, or furnish liquor except at a price fixed by the commission.

1774 (b) A package agency may provide as room service one alcoholic product free of
1775 charge per guest reservation, per guest room, if:

1776 (i) the package agency is the type of package agency that authorizes the package
1777 agency to sell, offer for sale, or furnish an alcoholic product as part of room service;

1778 (ii) staff of the package agency provides the alcoholic product:

1779 (A) in person; and

1780 (B) only to an adult guest in the guest room;

1781 (iii) staff of the package agency does not leave the alcoholic product outside a guest
1782 room for retrieval by a guest; and

1783 (iv) the alcoholic product:

1784 (A) is not a spirituous liquor; and

1785 (B) is in an unopened container not to exceed 750 milliliters.

1786 (8) A package agency may not sell, offer for sale, or furnish liquor to:

1787 (a) a minor;

1788 (b) a person actually, apparently, or obviously intoxicated;

1789 (c) a known interdicted person; or

1790 (d) a known habitual drunkard.

1791 (9) (a) A package agency may not employ a minor to handle liquor.

1792 (b) (i) Staff of a package agency may not:

1793 (A) consume an alcoholic product on the premises of a package agency; or

1794 (B) allow any person to consume an alcoholic product on the premises of a package

1795 agency.

1796 (ii) Violation of this Subsection (9)(b) is a class B misdemeanor.

1797 (10) (a) A package agency may not close or cease operation for a period longer than 72
1798 hours, unless:

1799 (i) the package agency notifies the department in writing at least seven days before the
1800 day on which the package agency closes or ceases operation; and

1801 (ii) the closure or cessation of operation is first approved by the department.

1802 (b) Notwithstanding Subsection (10)(a), in the case of emergency closure, a package
1803 agency shall immediately notify the department by telephone.

1804 (c) (i) The department may authorize a closure or cessation of operation for a period
1805 not to exceed 60 days.

1806 (ii) The department may extend the initial period described in Subsection (10)(c)(i) an
1807 additional 30 days upon written request of the package agency and upon a showing of good
1808 cause.

1809 (iii) A closure or cessation of operation may not exceed a total of 90 days without
1810 commission approval.

1811 (d) The notice required by Subsection (10)(a) shall include:

1812 (i) the dates of closure or cessation of operation;

1813 (ii) the reason for the closure or cessation of operation; and

1814 (iii) the date on which the package agency will reopen or resume operation.

1815 (e) Failure of a package agency to provide notice and to obtain department
1816 authorization before closure or cessation of operation results in an automatic termination of the
1817 package agency agreement effective immediately.

1818 (f) Failure of a package agency to reopen or resume operation by the approved date
1819 results in an automatic termination of the package agency agreement effective on that date.

1820 (11) A package agency may not transfer the package agency's operations from one
1821 location to another location without prior written approval of the commission.

1822 (12) (a) A person, having been issued a package agency, may not sell, transfer, assign,
1823 exchange, barter, give, or attempt in any way to dispose of the package agency to another
1824 person, whether for monetary gain or not.

1825 (b) A package agency has no monetary value for any type of disposition.

1826 (13) (a) Subject to the other provisions of this Subsection (13):
1827 (i) sale or delivery of liquor may not be made on or from the premises of a package
1828 agency, and a package agency may not be kept open for the sale of liquor:
1829 (A) on Sunday; or
1830 (B) on a state or federal legal holiday; and
1831 (ii) sale or delivery of liquor may be made on or from the premises of a package agency,
1832 and a package agency may be open for the sale of liquor, only on a day and during hours that
1833 the commission directs by rule or order.
1834 (b) A package agency located at a manufacturing facility is not subject to Subsection
1835 (13)(a) if:
1836 (i) the package agency is located at a manufacturing facility licensed in accordance
1837 with Chapter 11, Manufacturing and Related Licenses Act; and
1838 ~~[(ii) the manufacturing facility licensed in accordance with Chapter 11, Manufacturing~~
1839 ~~and Related Licenses Act, holds:]~~
1840 ~~[(A) a full-service restaurant license;]~~
1841 ~~[(B) a limited-service restaurant license;]~~
1842 ~~[(C) a beer-only restaurant license;]~~
1843 ~~[(D) a dining club license; or]~~
1844 ~~[(E) a bar license;]~~
1845 ~~[(iii) the restaurant, dining club, or bar is located at the manufacturing facility;]~~
1846 ~~[(iv) the restaurant, dining club, or bar sells an alcoholic product produced at the~~
1847 ~~manufacturing facility;]~~
1848 ~~[(v) the manufacturing facility:]~~
1849 ~~[(A) owns the restaurant, dining club, or bar; or]~~
1850 ~~[(B) operates the restaurant, dining club, or bar;]~~
1851 ~~[(vi)]~~ (ii) the package agency only sells an alcoholic product produced at the
1852 manufacturing facility~~;~~ ~~and~~.
1853 ~~[(vii) the package agency's days and hours of sale are the same as the days and hours of~~
1854 ~~sale at the restaurant, dining club, or bar.]~~
1855 (c) (i) Subsection (13)(a) does not apply to a package agency held by the following if
1856 the package agent that holds the package agency to sell liquor at a resort or hotel does not sell

1857 liquor in a manner similar to a state store:

1858 (A) a resort licensee; or

1859 (B) a hotel licensee.

1860 (ii) The commission may by rule define what constitutes a package agency that sells
1861 liquor "in a manner similar to a state store."

1862 (14) (a) Except to the extent authorized by commission rule, a minor may not be
1863 admitted into, or be on the premises of, a package agency unless accompanied by a person who
1864 is:

1865 (i) 21 years [~~of age~~] old or older; and

1866 (ii) the minor's parent, legal guardian, or spouse.

1867 (b) A package agent or staff of a package agency that has reason to believe that a
1868 person who is on the premises of a package agency is under [~~the age of~~] 21 years old and is not
1869 accompanied by a person described in Subsection (14)(a) may:

1870 (i) ask the suspected minor for proof of age;

1871 (ii) ask the person who accompanies the suspected minor for proof of age; and

1872 (iii) ask the suspected minor or the person who accompanies the suspected minor for
1873 proof of parental, guardianship, or spousal relationship.

1874 (c) A package agent or staff of a package agency shall refuse to sell liquor to the
1875 suspected minor and to the person who accompanies the suspected minor into the package
1876 agency if the minor or person fails to provide any information specified in Subsection (14)(b).

1877 (d) A package agent or staff of a package agency shall require the suspected minor and
1878 the person who accompanies the suspected minor into the package agency to immediately leave
1879 the premises of the package agency if the minor or person fails to provide information specified
1880 in Subsection (14)(b).

1881 (15) (a) A package agency shall sell, offer for sale, or furnish liquor in a sealed
1882 container.

1883 (b) A person may not open a sealed container on the premises of a package agency.

1884 (c) Notwithstanding Subsection (15)(a), a package agency may sell, offer for sale, or
1885 furnish liquor in other than a sealed container:

1886 (i) if the package agency is the type of package agency that authorizes the package
1887 agency to sell, offer for sale, or furnish the liquor as part of room service;

- 1888 (ii) if the liquor is sold, offered for sale, or furnished as part of room service; and
1889 (iii) subject to:
- 1890 (A) staff of the package agency providing the liquor in person only to an adult guest in
1891 the guest room or privately owned dwelling unit;
- 1892 (B) staff of the package agency not leaving the liquor outside a guest room or privately
1893 owned dwelling unit for retrieval by a guest or resident; and
- 1894 (C) the same limits on the portions in which an alcoholic product may be sold by a
1895 retail licensee under Section [32B-5-304](#).
- 1896 (16) A package agency may not sell, offer for sale, or furnish heavy beer in a sealed
1897 container that exceeds two liters.
- 1898 (17) The department may pay or otherwise remunerate a package agent on any basis,
1899 including sales or volume of business done by the package agency.
- 1900 (18) The commission may prescribe by policy or rule general operational requirements
1901 of a package agency that are consistent with this title and relate to:
- 1902 (a) physical facilities;
1903 (b) conditions of operation;
1904 (c) hours of operation;
1905 (d) inventory levels;
1906 (e) payment schedules;
1907 (f) methods of payment;
1908 (g) premises security; and
1909 (h) any other matter considered appropriate by the commission.
- 1910 (19) A package agency may not maintain a minibar.
- 1911 Section 19. Section **32B-3-205** is amended to read:
- 1912 **32B-3-205. Penalties.**
- 1913 (1) If the commission is satisfied that a person subject to administrative action violates
1914 this title or the commission's rules, in accordance with Title 63G, Chapter 4, Administrative
1915 Procedures Act, the commission may:
- 1916 (a) suspend or revoke the person's license, permit, or certificate of approval;
1917 (b) subject to Subsection (2), impose a fine against the person, including individual
1918 staff of a licensee, permittee, or certificate holder;

- 1919 (c) assess the administrative costs of a disciplinary proceeding to the person if the
1920 person is a licensee, permittee, or certificate holder; or
- 1921 (d) take a combination of actions described in this Subsection (1).
- 1922 (2) (a) A fine imposed may not exceed \$25,000 in the aggregate for:
- 1923 (i) a single notice of agency action; or
- 1924 (ii) a single action against a package agency.
- 1925 (b) The commission shall by rule establish a schedule setting forth a range of fines for
1926 each violation.
- 1927 (c) When a presiding officer imposes a fine, the presiding officer shall consider any
1928 aggravating circumstances or mitigating circumstances in deciding where within the applicable
1929 range to set the fine.
- 1930 (3) The department shall transfer the costs assessed under this section into the General
1931 Fund in accordance with Section [32B-2-301](#).
- 1932 (4) (a) If a license or permit is suspended under this section, the licensee or permittee
1933 shall prominently display a sign provided by the department:
- 1934 (i) during the suspension; and
- 1935 (ii) at the entrance of the premises of the licensee or permittee.
- 1936 (b) The sign required by this Subsection (4) shall:
- 1937 (i) read "The Utah Alcoholic Beverage [~~Control~~] Services Commission has suspended
1938 the alcoholic product license or permit of this establishment. An alcoholic product may not be
1939 sold, offered for sale, furnished, or consumed on these premises during the period of
1940 suspension."; and
- 1941 (ii) include the dates of the suspension period.
- 1942 (c) A licensee or permittee may not remove, alter, obscure, or destroy a sign required to
1943 be displayed under this Subsection (4) during the suspension period.
- 1944 (5) (a) If a license or permit is revoked, the commission may order the revocation of a
1945 bond posted by the licensee or permittee under this title.
- 1946 (b) Notwithstanding Subsection (5)(a), the department may make a claim against a
1947 bond posted by a licensee or permittee for money owed the department under this title without
1948 the commission first revoking the license or permit.
- 1949 (6) A licensee or permittee whose license or permit is revoked may not reapply for a

1950 license or permit under this title for three years from the date on which the license or permit is
1951 revoked.

1952 (7) If a staff member of a licensee, permittee, or certificate holder is found to have
1953 violated this title, in addition to imposing another penalty authorized by this title, the
1954 commission may prohibit the staff member from handling, selling, furnishing, distributing,
1955 manufacturing, wholesaling, or warehousing an alcoholic product in the course of acting as
1956 staff with a licensee, permittee, or certificate holder under this title for a period determined by
1957 the commission.

1958 (8) (a) If the commission makes the finding described in Subsection (8)(b), in addition
1959 to other penalties prescribed by this title, the commission may order:

1960 (i) the removal of an alcoholic product of the manufacturer's, supplier's, or importer's
1961 from the department's sales list; and

1962 (ii) a suspension of the department's purchase of an alcoholic product described in
1963 Subsection (8)(a)(i) for a period determined by the commission.

1964 (b) The commission may take the action described in Subsection (8)(a) if:

1965 (i) a manufacturer, supplier, or importer of liquor or its staff or representative violates
1966 this title; and

1967 (ii) the manufacturer, supplier, or importer:

1968 (A) directly commits the violation; or

1969 (B) solicits, requests, commands, encourages, or intentionally aids another to engage in
1970 the violation.

1971 (9) If the commission makes a finding that the brewer holding a certificate of approval
1972 violates this title or rules of the commission, the commission may take an action against the
1973 brewer holding a certificate of approval that the commission could take against a licensee
1974 including:

1975 (a) suspension or revocation of the certificate of approval; and

1976 (b) imposition of a fine.

1977 (10) Notwithstanding the other provisions of this title, the commission may not order a
1978 disciplinary action or fine in accordance with this section if the disciplinary action or fine is
1979 ordered on the basis of a violation:

1980 (a) of a provision in this title related to intoxication or becoming intoxicated; and

1981 (b) if the violation is first investigated by a law enforcement officer, as defined in
1982 Section 53-13-103, who has not received training regarding the requirements of this title
1983 related to responsible alcoholic product sale or service.

1984 (11) The commission shall expunge each record that relates to an individual's violation
1985 of a provision of this title, if the individual does not violate a provision of this title for a period
1986 of 36 consecutive months from the day on which the individual's last violation was adjudicated.

1987 Section 20. Section 32B-4-403 is amended to read:

1988 **32B-4-403. Unlawful sale, offer for sale, or furnishing to minor.**

1989 (1) A person may not sell, offer for sale, or furnish an alcoholic product to a minor.

1990 (2) (a) (i) Except as provided in Subsection (3), a person is guilty of a class B
1991 misdemeanor if the person who violates Subsection (1) negligently or recklessly fails to
1992 determine whether the recipient of the alcoholic product is a minor.

1993 (ii) As used in this Subsection (2)(a), "negligently" means with simple negligence.

1994 (b) Except as provided in Subsection (3), a person is guilty of a class A misdemeanor if
1995 the person who violates Subsection (1) knows the [purchaser] recipient of the alcoholic product
1996 is a minor.

1997 (3) This section does not apply to the furnishing of an alcoholic product to a minor in
1998 accordance with this title:

1999 (a) for medicinal purposes by:

2000 (i) the parent or guardian of the minor; or

2001 (ii) the health care practitioner of the minor, if the health care practitioner is authorized
2002 by law to write a prescription; or

2003 (b) as part of a religious organization's religious services.

2004 Section 21. Section 32B-4-415 is amended to read:

2005 **32B-4-415. Unlawful bringing onto premises for consumption.**

2006 (1) Except as provided in Subsection (4) and Section 32B-5-307, a person may not
2007 bring an alcoholic product for on-premise consumption onto the premises of:

2008 (a) a retail licensee or person required to be licensed under this title as a retail licensee;

2009 (b) an establishment that conducts a business similar to a retail licensee;

2010 (c) an event where an alcoholic product is sold, offered for sale, or furnished under a
2011 single event permit or temporary beer event permit issued under this title;

2012 (d) an establishment open to the general public; or

2013 (e) the capitol hill complex.

2014 (2) Except as provided in Subsection (4) and Section 32B-5-307, the following may
2015 not allow a person to bring onto its premises an alcoholic product for on-premise consumption
2016 or allow consumption of an alcoholic product brought onto its premises in violation of this
2017 section:

2018 (a) a retail licensee or a person required to be licensed under this title as a retail
2019 licensee;

2020 (b) an establishment that conducts a business similar to a retail licensee;

2021 (c) a single event permittee or temporary beer event permittee;

2022 (d) an establishment open to the general public;

2023 (e) the State Capitol Preservation Board created in Section 63C-9-201; or

2024 (f) staff of a person listed in Subsections (2)(a) through (e).

2025 (3) Except as provided in Subsection (4)(c)(i)(A), a person may not consume an
2026 alcoholic product in a limousine or chartered bus if the limousine or chartered bus drops off a
2027 passenger at:

2028 (a) a location from which the passenger departs in a private vehicle; or

2029 (b) the capitol hill complex.

2030 (4) (a) A person may bring bottled wine onto the premises of the following and
2031 consume the wine pursuant to Section 32B-5-307:

2032 (i) a full-service restaurant licensee;

2033 (ii) a limited restaurant licensee;

2034 (iii) a bar establishment licensee; or

2035 (iv) a person operating under a [resort] spa sublicense.

2036 (b) A passenger of a limousine may bring onto, possess, and consume an alcoholic
2037 product in the limousine if:

2038 (i) the travel of the limousine begins and ends at:

2039 (A) the residence of the passenger;

2040 (B) the hotel of the passenger, if the passenger is a registered guest of the hotel; or

2041 (C) the temporary domicile of the passenger;

2042 (ii) the driver of the limousine is separated from the passengers by partition or other

2043 means approved by the department; and

2044 (iii) the limousine is not located on the capitol hill complex.

2045 (c) A passenger of a chartered bus may bring onto, possess, and consume an alcoholic

2046 product on the chartered bus:

2047 (i) (A) but may consume only during travel to a specified destination of the chartered

2048 bus and not during travel back to the place where the travel begins; or

2049 (B) if the travel of the chartered bus begins and ends at:

2050 (I) the residence of the passenger;

2051 (II) the hotel of the passenger, if the passenger is a registered guest of the hotel; or

2052 (III) the temporary domicile of the passenger;

2053 (ii) if the chartered bus has a nondrinking designee other than the driver traveling on

2054 the chartered bus to monitor consumption; and

2055 (iii) if the chartered bus is not located on the capitol hill complex.

2056 (5) A person may bring onto any premises, possess, and consume an alcoholic product

2057 at a private event.

2058 (6) Notwithstanding Subsection (5), private and public facilities may prohibit the

2059 possession or consumption of alcohol on their premises.

2060 (7) The restrictions of Subsections (2) and (3) apply to a resort licensee or hotel

2061 licensee or person operating under a sublicense in relationship to:

2062 (a) the boundary of a resort building, as defined in Section [32B-8-102](#), or the boundary

2063 of a hotel, as defined in Section [32B-8b-102](#), in an area that is open to the public; or

2064 (b) except as provided in Subsection (4), sublicensed premises.

2065 Section 22. Section **32B-5-102** is amended to read:

2066 **32B-5-102. Definitions.**

2067 [~~As used in this chapter:~~]

2068 [~~(1) "Interim alcoholic beverage management agreement" means an agreement:~~]

2069 [~~(a) in connection with:~~]

2070 [~~(i) the transfer of a retail license; and~~]

2071 [~~(ii) (A) an asset sale of a retail licensee; or~~]

2072 [~~(B) a transfer of the management of a retail licensee to a new entity; and~~]

2073 [~~(b) under which the purchaser or the new management entity agrees to perform the~~]

2074 ~~operations of the retail licensee during the period that:]~~

2075 ~~[(i) begins when:]~~

2076 ~~[(A) the asset sale closes; or]~~

2077 ~~[(B) the new management agreement is executed; and]~~

2078 ~~[(ii) ends on the day after the day on which the commission approves the transfer of the~~
2079 ~~retail license.]~~

2080 ~~[(2) "Inventory transfer agreement" means an agreement under which a retail licensee~~
2081 ~~agrees to sell or otherwise transfer all or part of the retail licensee's inventory of alcoholic~~
2082 ~~product.]~~

2083 Reserved.

2084 Section 23. Section **32B-5-201** is amended to read:

2085 **32B-5-201. Application requirements for retail license.**

2086 (1) (a) Before a person may store, sell, offer for sale, furnish, or permit consumption of
2087 an alcoholic product on licensed premises as a retail licensee, the person shall first obtain a
2088 retail license issued by the commission, notwithstanding whether the person holds a local
2089 license or a permit issued by a local authority.

2090 (b) Violation of this Subsection (1) is a class B misdemeanor.

2091 (2) To obtain a retail license under this title, a person shall submit to the department:

2092 (a) a written application in a form prescribed by the department;

2093 (b) a nonrefundable application fee in the amount specified in the relevant chapter or
2094 part for the type of retail license for which the person is applying;

2095 (c) an initial license fee:

2096 (i) in the amount specified in the relevant chapter or part for the type of retail license
2097 for which the person is applying; and

2098 (ii) that is refundable if a retail license is not issued;

2099 (d) written consent of the local authority, including, if applicable, consent for each
2100 proposed sublicense;

2101 (e) a copy of:

2102 (i) every license the local authority requires, including the person's current business
2103 license; and

2104 (ii) if the person is applying for a principal license, the current business license for each

2105 proposed sublicense, except if the [~~relevant political subdivision~~] local authority determines
2106 that the business license for a proposed sublicense is included in the person's current business
2107 license;

2108 (f) evidence of the proposed retail licensee's proximity to any community location, with
2109 proximity requirements being governed by Section [32B-1-202](#);

2110 (g) a bond as specified by Section [32B-5-204](#);

2111 (h) a floor plan, and boundary map where applicable, of the premises of the retail
2112 license and each, if any, accompanying sublicense, including any:

2113 (i) consumption area; and

2114 (ii) area where the person proposes to store, sell, offer for sale, or furnish an alcoholic
2115 beverage;

2116 (i) evidence that the retail licensee carries public liability insurance in an amount and
2117 form satisfactory to the department;

2118 (j) evidence that the retail licensee carries dramshop insurance coverage of at least:

2119 (i) \$1,000,000 per occurrence and \$2,000,000 in the aggregate;

2120 (ii) if the retail licensee is a hotel licensee or a resort licensee, \$1,000,000 per
2121 occurrence and \$2,000,000 in the aggregate to cover both the principal license and all
2122 accompanying sublicenses; or

2123 (iii) if the retail licensee is an arena licensee, \$10,000,000 per occurrence and
2124 \$20,000,000 in the aggregate to cover both the arena license and all accompanying sublicenses.

2125 (k) a signed consent form stating that the retail licensee will permit any authorized
2126 representative of the commission, department, or any law enforcement officer to have
2127 unrestricted right to enter:

2128 (i) the premises of the retail licensee; and

2129 (ii) if applicable, the premises of each of the retail licensee's accompanying
2130 sublicenses;

2131 (l) if the person is an entity, proper verification evidencing that a person who signs the
2132 application is authorized to sign on behalf of the entity;

2133 (m) a responsible alcohol service plan; ~~and~~

2134 (n) evidence that each individual the person has hired to work as a retail manager, as
2135 defined in Section [32B-1-701](#), has completed the alcohol training and education seminar as

2136 required under Chapter 1, Part 7, Alcohol Training and Education Act; and

2137 ~~[(m)]~~ (o) any other information the commission or department may require.

2138 (3) The commission may not issue a retail license to a person who:

2139 (a) is disqualified under Section 32B-1-304; or

2140 (b) is not lawfully present in the United States.

2141 (4) Unless otherwise provided in the relevant chapter or part for the type of retail

2142 license for which the person is applying, the commission may not issue a retail license to a

2143 person if the proposed licensed premises does not meet the proximity requirements of Section

2144 32B-1-202.

2145 Section 24. Section 32B-5-202 is amended to read:

2146 **32B-5-202. Renewal requirements.**

2147 (1) A retail license expires each year on the day specified in the relevant chapter or part
2148 for that type of retail license.

2149 (2) (a) To renew a person's retail license, a retail licensee shall, on or before the day
2150 specified in the relevant chapter or part for the type of retail license that the person seeks to
2151 renew, submit:

2152 (i) a completed renewal application in a form prescribed by the department;

2153 (ii) a renewal fee in the amount specified in the relevant chapter or part for the type of
2154 retail license that the person seeks to renew; and

2155 (iii) a responsible alcohol service plan if, since the retail licensee's most recent
2156 application or renewal, the retail licensee:

2157 (A) made substantial changes to the retail licensee's responsible alcohol service plan;

2158 or

2159 (B) violated a provision of this chapter.

2160 ~~[(b) (i) Except as provided for in Subsection (2)(b)(ii), a retail licensee shall fulfill the~~
2161 ~~renewal requirements under Subsection (2)(a) on or before the day specified in the relevant~~
2162 ~~chapter or part for the type of retail license that the person seeks to renew.]~~

2163 ~~[(ii) The commission may:]~~

2164 ~~[(A) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative~~

2165 ~~Rulemaking Act, permitting and establishing the parameters of late retail license renewals; and]~~

2166 ~~[(B) establish a fee, in accordance with Section 63J-1-504, for late retail license~~

2167 renewals.]

2168 [(e)] (b) The department may audit a retail licensee's responsible alcohol service plan.

2169 (3) Failure to meet the renewal requirements results in an automatic forfeiture of the
2170 retail license effective on the day on which the existing retail license expires.

2171 Section 25. Section **32B-5-205** is amended to read:

2172 **32B-5-205. Conditional retail license.**

2173 (1) As used in this section:

2174 (a) "Conditional retail license" means a retail license that:

2175 (i) conditions the holder's ability to [~~sell, offer for sale, furnish, or allow the~~
2176 ~~consumption of an alcoholic product on its licensed premises~~] obtain a valid retail license on
2177 the person submitting to the department:

2178 (A) a copy of every license or permit the local authority requires for the valid retail
2179 license, including the holder's current business license [~~before obtaining a valid retail license;~~
2180 ~~and~~];

2181 (B) a bond;

2182 (C) evidence that the person carries public liability insurance;

2183 (D) evidence that the person carries dramshop insurance;

2184 (E) evidence that each individual the conditional retail licensee has hired to work as a
2185 retail manager, as defined in Section 32B-1-701, has completed the alcohol training and
2186 education seminar as required under Chapter 1, Part 7, Alcohol Training and Education Act; or

2187 (F) any other information the department or commission may require for licensure; and

2188 (ii) provides that the holder will be issued a valid retail license if the holder complies
2189 with the requirements of Subsection (3).

2190 (b) "Valid retail license" means a retail license issued pursuant to this part under which
2191 the holder is permitted to sell, offer for sale, furnish, or allow the consumption of an alcoholic
2192 product on [~~its~~] the holder's licensed premises.

2193 (2) Subject to the requirements of this section, the commission may issue a conditional
2194 retail license to a person if the person:

2195 (a) meets [~~the requirements~~] each requirement to obtain the retail license for which the
2196 person is applying, except [~~the~~] a requirement to submit to the department:

2197 (i) a copy of every license or permit the local authority requires for the retail license,

2198 including the person's current business license; [and]
2199 (ii) a bond;
2200 (iii) evidence that the person carries public liability insurance;
2201 (iv) evidence that the person carries dramshop insurance coverage;
2202 (v) evidence that each individual the conditional retail licensee has hired to work as a
2203 retail manager, as defined in Section 32B-1-701, has completed the alcohol training and
2204 education seminar as required under Chapter 1, Part 7, Alcohol Training and Education Act; or
2205 (vi) a menu; and
2206 (b) agrees not to sell, offer for sale, furnish, or allow the consumption of an alcoholic
2207 product on ~~its~~ the conditional retail licensee's licensed premises before obtaining a valid retail
2208 license.
2209 (3) (a) A conditional retail license becomes a valid retail license on the day on which
2210 the department notifies the person who holds the conditional retail license that the department
2211 finds that the person has complied with Subsection (3)(b).
2212 (b) For a conditional retail license to become a valid retail license, a person who holds
2213 the conditional retail license shall:
2214 (i) submit to the department:
2215 (A) a copy of every license or permit the local authority requires for the retail license,
2216 including the person's current business license; [and]
2217 (B) a bond as specified by Section 32B-5-204;
2218 (C) evidence that the conditional retail licensee carries public liability insurance in an
2219 amount and form satisfactory to the department;
2220 (D) evidence that the conditional retail licensee carries dramshop insurance coverage as
2221 specified in Section 32B-5-201;
2222 (E) evidence that each individual the conditional retail licensee has hired to work as a
2223 retail manager, as defined in Section 32B-1-701, has completed an alcohol training and
2224 education seminar as required under Chapter 1, Part 7, Alcohol Training and Education Act;
2225 and
2226 (F) any other information the department or commission may require; and
2227 (ii) provide to the department evidence satisfactory to the department that:
2228 (A) there has been no change in the information submitted to the commission as part of

2229 the person's application for a retail license; and

2230 (B) the person continues to qualify for the retail license.

2231 (4) (a) A conditional retail license expires 18 months after the day on which the
2232 commission issues the conditional retail license, unless the conditional retail license becomes a
2233 valid retail license before that day.

2234 (b) Notwithstanding Subsection (4)(a), the commission may extend the time period of a
2235 conditional retail license an additional six months if the holder of the conditional license can
2236 show to the satisfaction of the commission that the holder of the conditional license:

2237 (i) has an active building permit related to the licensed premises; and

2238 (ii) is engaged in a good faith effort to pursue completion within the six-month period.

2239 Section 26. Section **32B-5-304** is amended to read:

2240 **32B-5-304. Portions in which alcoholic product may be sold.**

2241 (1) (a) A retail licensee may sell, offer for sale, or furnish spirituous liquor that is a
2242 primary spirituous liquor only in a quantity that does not exceed 1.5 ounces per beverage
2243 dispensed through a calibrated metered dispensing system approved by the department in
2244 accordance with commission rules adopted under this title~~[, except that:].~~

2245 ~~[(a) spirituous liquor need not be dispensed through a calibrated metered dispensing~~
2246 ~~system if used as a secondary flavoring ingredient in a beverage subject to the following~~
2247 ~~requirements:]~~

2248 ~~[(i) the secondary ingredient may be dispensed only in conjunction with the purchase~~
2249 ~~of a primary spirituous liquor;]~~

2250 ~~[(ii) the secondary ingredient may not be the only spirituous liquor in the beverage;]~~

2251 ~~[(iii) the retail licensee shall designate a location where flavorings are stored on the~~
2252 ~~floor plan submitted to the department; and]~~

2253 ~~[(iv) a flavoring container shall be plainly and conspicuously labeled "flavorings";]~~

2254 ~~[(b) spirituous liquor need not be dispensed through a calibrated metered dispensing~~
2255 ~~system if used:]~~

2256 ~~[(i) as a flavoring on a dessert; and]~~

2257 ~~[(ii) in the preparation of a flaming food dish, drink, or dessert; and]~~

2258 (b) A retail license is not required to dispense spirituous liquor through a calibrated
2259 metered dispensing system if the spirituous liquor is:

2260 (i) a secondary flavoring ingredient;
2261 (ii) used as a flavoring on a dessert; or
2262 (iii) used to set aflame a food dish, drink, or dessert.
2263 (c) A retail licensee that dispenses spirituous liquor that is a secondary flavoring
2264 ingredient shall:
2265 (i) designate a location where the retail licensee stores secondary flavoring ingredients
2266 on the floor plan the retail licensee submits to the department; and
2267 (ii) clearly and conspicuously label each secondary flavoring ingredient's container
2268 "flavorings".
2269 ~~[(c)]~~ (d) [a] A patron may have no more than 2.5 ounces of spirituous liquor at a time.
2270 (2) (a) (i) A retail licensee may sell, offer for sale, or furnish wine by the glass or in an
2271 individual portion that does not exceed 5 ounces per glass or individual portion.
2272 (ii) A retail licensee may sell, offer for sale, or furnish an individual portion of wine to
2273 a patron in more than one glass if the total amount of wine does not exceed 5 ounces.
2274 (b) (i) A retail licensee may sell, offer for sale, or furnish wine in a container not
2275 exceeding 1.5 liters at a price fixed by the commission to a table of four or more persons.
2276 (ii) A retail licensee may sell, offer for sale, or furnish wine in a container not to
2277 exceed 750 milliliters at a price fixed by the commission to a table of less than four persons.
2278 (3) A retail licensee may sell, offer for sale, or furnish heavy beer in an original
2279 container at a price fixed by the commission, except that the original container may not exceed
2280 one liter.
2281 (4) A retail licensee may sell, offer for sale, or furnish a flavored malt beverage in an
2282 original container at a price fixed by the commission, except that the original container may not
2283 exceed one liter.
2284 (5) (a) (i) Subject to Subsection ~~[(5)(b)]~~ (5)(a)(ii), a retail licensee may sell, offer for
2285 sale, or furnish beer for on-premise consumption:
2286 ~~[(i)]~~ (A) in an open original container; and
2287 ~~[(i)]~~ (B) in a container on draft.
2288 ~~[(b)]~~ (ii) A retail licensee may not sell, offer for sale, or furnish beer under Subsection
2289 (5)(a)(i):
2290 ~~[(i)]~~ (A) in a size of container that exceeds two liters; or

2291 [(f)] (B) to an individual patron in a size of container that exceeds one liter.

2292 (b) A retail licensee may sell, offer for sale, or furnish beer for off-premise

2293 consumption:

2294 (i) in a sealed container; and

2295 (ii) in a size of container that does not exceed two liters.

2296 (c) A retail licensee may sell, offer for sale, or furnish a flight of beer to an individual
2297 patron if the total amount of beer does not exceed 16 ounces.

2298 Section 27. Section **32B-5-307** is amended to read:

2299 **32B-5-307. Bringing alcoholic product onto or removing alcoholic product from**
2300 **premises.**

2301 (1) Except as provided in Subsections (3) and (4):

2302 (a) a person may not bring onto the licensed premises of a retail licensee an alcoholic
2303 product for on-premise consumption;

2304 (b) a retail licensee may not allow a person to:

2305 (i) bring onto licensed premises an alcoholic product for on-premise consumption; or

2306 (ii) consume an alcoholic product brought onto the licensed premises by a person other
2307 than the retail licensee; and

2308 (c) a retail licensee may not sell, offer for sale, or furnish an alcoholic product through
2309 a window or door to a location off the licensed premises or to a vehicular traffic area.

2310 (2) Except as provided in Subsections (3) and (4) and Subsection [32B-4-415\(5\)](#):

2311 (a) a person may not carry from [a] the licensed premises of a retail licensee an open
2312 container that:

2313 (i) is used primarily for drinking purposes; and

2314 (ii) contains an alcoholic product;

2315 (b) a retail licensee may not permit a patron to carry from the licensed premises an
2316 open container described in Subsection (2)(a); and

2317 (c) (i) a person may not carry from [a] the licensed premises of a retail licensee a sealed
2318 container of liquor that has been purchased from the retail licensee; and

2319 (ii) a retail licensee may not permit a patron to carry from the licensed premises of the
2320 retail licensee a sealed container of liquor that has been purchased from the retail licensee.

2321 (3) (a) A patron may bring a bottled wine onto the premises of a retail licensee for

2322 on-premise consumption if:

2323 (i) permitted by the retail licensee; and

2324 (ii) the retail licensee is authorized to sell, offer for sale, or furnish wine.

2325 (b) If a patron carries bottled wine onto the licensed premises of a retail licensee, the
2326 patron shall deliver the bottled wine to a server or other representative of the retail licensee
2327 upon entering the licensed premises.

2328 (c) A retail licensee authorized to sell, offer for sale, or furnish wine, may provide a
2329 wine service for a bottled wine carried onto the licensed premises in accordance with this
2330 Subsection (3) or a bottled wine purchased at the licensed premises.

2331 (d) A patron may remove from a licensed premises the unconsumed contents of a bottle
2332 of wine purchased at the licensed premises, or brought onto the licensed premises in
2333 accordance with this Subsection (3), only if before removal the bottle is recorked or recapped.

2334 (4) Neither a patron nor a retail licensee violates this section if:

2335 (a) the patron is in shared seating; and

2336 (b) the patron purchased the patron's alcoholic beverage from a restaurant licensee
2337 whose licensed premises include the shared seating area the patron is in.

2338 (5) (a) A patron may carry from a retail licensee's licensed premises a sealed container
2339 of beer that has been purchased from the retail licensee.

2340 (b) A retail licensee may permit a patron to carry from the retail licensee's licensed
2341 premises a sealed container of beer that has been purchased from the retail licensee.

2342 Section 28. Section **32B-5-309** is amended to read:

2343 **32B-5-309. Ceasing operation.**

2344 (1) Except as provided in Subsection (8), a retail licensee may not close or cease
2345 operation for a period longer than 240 hours, unless:

2346 (a) the retail licensee notifies the department in writing at least seven days before the
2347 day on which the retail licensee closes or ceases operation; and

2348 (b) the closure or cessation of operation is first approved by the department.

2349 (2) Notwithstanding Subsection (1), in the case of emergency closure, a retail licensee
2350 shall immediately notify the department by telephone.

2351 (3) (a) The department may authorize [a] an initial closure or cessation of operation of
2352 a retail licensee for a period not to exceed 60 days.

2353 (b) ~~[The]~~ Upon written request of the retail licensee and a showing of good cause, the
 2354 department may extend the initial period ~~[an additional]~~ described in Subsection (3)(a) for a
 2355 period not to exceed the greater of:

2356 (i) 30 days ~~[upon]; or~~

2357 (ii) the number of days until the day on which the commission holds the commission's
 2358 next regularly scheduled meeting.

2359 ~~[(i) written request of the retail licensee; and]~~

2360 ~~[(ii) a showing of good cause.]~~

2361 (4) A closure or cessation of operation may not exceed ~~[a total of 90 days]~~ the time
 2362 limits described in Subsection (3) without commission approval.

2363 (5) A notice required under this section shall include:

2364 (a) the dates of closure or cessation of operation;

2365 (b) the reason for the closure or cessation of operation; and

2366 (c) the date on which the retail licensee will reopen or resume operation.

2367 (6) Failure of a retail licensee to provide notice and to obtain department approval
 2368 before closure or cessation of operation results in an automatic forfeiture of:

2369 (a) the retail license; and

2370 (b) the unused portion of the retail license fee for the remainder of the retail license
 2371 year effective immediately.

2372 (7) Failure of a retail licensee to reopen or resume operation by the approved date
 2373 results in an automatic forfeiture of:

2374 (a) the retail license; and

2375 (b) the unused portion of the retail license fee for the remainder of the retail license
 2376 year.

2377 (8) This section does not apply to:

2378 (a) an on-premise beer retailer who is not a tavern; ~~[or]~~

2379 (b) an airport lounge licensee; or

2380 (c) a hospitality amenity licensee.

2381 (9) For purposes of this section, the department may not base a determination that a
 2382 retail licensee has ceased operation solely upon the retail licensee's lack of sales.

2383 Section 29. Section **32B-6-205** is amended to read:

2384 **32B-6-205. Specific operational requirements for a full-service restaurant license**
2385 **-- Before July 1, 2018, or July 1, 2022.**

2386 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2387 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
2388 shall comply with this section.

2389 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2390 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

- 2391 (i) a full-service restaurant licensee;
- 2392 (ii) individual staff of a full-service restaurant licensee; or
- 2393 (iii) both a full-service restaurant licensee and staff of the full-service restaurant
2394 licensee.

2395 (2) In addition to complying with Subsection 32B-5-301(3), a full-service restaurant
2396 licensee shall display in a prominent place in the restaurant a list of the types and brand names
2397 of liquor being furnished through the full-service restaurant licensee's calibrated metered
2398 dispensing system.

2399 (3) In addition to complying with Section 32B-5-303, a full-service restaurant licensee
2400 shall store an alcoholic product in a storage area described in Subsection (11)(a).

2401 (4) (a) An individual who serves an alcoholic product in a full-service restaurant
2402 licensee's premises shall make a written beverage tab for each table or group that orders or
2403 consumes an alcoholic product on the premises.

2404 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an
2405 alcoholic product ordered or consumed.

2406 (5) A person's willingness to serve an alcoholic product may not be made a condition
2407 of employment as a server with a full-service restaurant licensee.

2408 (6) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the
2409 licensed premises during the following time periods only:

- 2410 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or
- 2411 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2412 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2413 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the
2414 licensed premises during the following time periods only:

2415 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2416 (ii) on a weekend or a state or federal legal holiday or for a private event, during the

2417 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2418 (7) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an
2419 alcoholic product for on-premise consumption except after the full-service restaurant licensee
2420 confirms that the patron has the intent to order food prepared, sold, and furnished at the
2421 licensed premises.

2422 (b) Notwithstanding Section [32B-5-307](#), a full-service restaurant licensee may not sell,
2423 offer for sale, or furnish beer for off-premise consumption except after the patron consumes on
2424 the licensed premises food prepared, sold, and furnished at the licensed premises.

2425 ~~[(b)]~~ (c) A full-service restaurant licensee shall maintain on the licensed premises
2426 adequate culinary facilities for food preparation and dining accommodations.

2427 (8) (a) Subject to the other provisions of this Subsection (8), a patron may not have
2428 more than two alcoholic products of any kind at a time before the patron.

2429 (b) A patron may not have more than one spirituous liquor drink at a time before the
2430 patron.

2431 (c) An individual portion of wine is considered to be one alcoholic product under
2432 Subsection (8)(a).

2433 (9) A patron may consume an alcoholic product on the full-service restaurant licensee's
2434 licensed premises only:

2435 (a) at:

2436 (i) the patron's table;

2437 (ii) a counter; or

2438 (iii) a seating grandfathered bar structure; and

2439 (b) where food is served.

2440 (10) (a) A full-service restaurant licensee may not sell, offer for sale, or furnish an
2441 alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar
2442 structure that is not a seating grandfathered bar structure.

2443 (b) At a seating grandfathered bar structure a patron who is 21 years ~~[of age]~~ old or
2444 older may:

2445 (i) sit;

- 2446 (ii) be furnished an alcoholic product; and
- 2447 (iii) consume an alcoholic product.
- 2448 (c) Except as provided in Subsection (10)(d), at a seating grandfathered bar structure a
- 2449 full-service restaurant licensee may not permit a minor to, and a minor may not:
 - 2450 (i) sit; or
 - 2451 (ii) consume food or beverages.
- 2452 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is employed
- 2453 by a full-service restaurant licensee:
 - 2454 (A) as provided in Subsection [32B-5-308\(2\)](#); or
 - 2455 (B) to perform maintenance and cleaning services during an hour when the full-service
 - 2456 restaurant licensee is not open for business.
 - 2457 (ii) A minor may momentarily pass by a seating grandfathered bar structure without
 - 2458 remaining or sitting at the bar structure en route to an area of a full-service restaurant licensee's
 - 2459 premises in which the minor is permitted to be.
- 2460 (11) Except as provided in Subsection [32B-5-307\(3\)](#), a full-service restaurant licensee
- 2461 may dispense an alcoholic product only if:
 - 2462 (a) the alcoholic product is dispensed from:
 - 2463 (i) a grandfathered bar structure;
 - 2464 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
 - 2465 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
 - 2466 12, 2009; or
 - 2467 (iii) an area that is:
 - 2468 (A) separated from an area for the consumption of food by a patron by a solid,
 - 2469 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
 - 2470 an alcoholic product are:
 - 2471 (I) not readily visible to a patron; and
 - 2472 (II) not accessible by a patron; and
 - 2473 (B) apart from an area used:
 - 2474 (I) for dining;
 - 2475 (II) for staging; or
 - 2476 (III) as a lobby or waiting area;

- 2477 (b) the full-service restaurant licensee uses an alcoholic product that is:
2478 (i) stored in an area described in Subsection (11)(a); or
2479 (ii) in an area not described in Subsection (11)(a) on the licensed premises and:
2480 (A) immediately before the alcoholic product is dispensed it is in an unopened
2481 container;
2482 (B) the unopened container is taken to an area described in Subsection (11)(a) before it
2483 is opened; and
2484 (C) once opened, the container is stored in an area described in Subsection (11)(a); and
2485 (c) any instrument or equipment used to dispense alcoholic product is located in an
2486 area described in Subsection (11)(a).
- 2487 (12) A full-service restaurant licensee may state in a food or alcoholic product menu a
2488 charge or fee made in connection with the sale, service, or consumption of liquor including:
2489 (a) a set-up charge;
2490 (b) a service charge; or
2491 (c) a chilling fee.
- 2492 (13) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
2493 beverages within 10 feet of a grandfathered bar structure, unless:
2494 (a) seating within 10 feet of the grandfathered bar structure is the only seating available
2495 in the licensed premises; and
2496 (b) the minor is accompanied by an individual who is 21 years ~~[of age]~~ old or older.
- 2497 (14) Except as provided in Subsection 32B-6-205.2(16) and Section 32B-6-205.3, the
2498 provisions of this section apply before July 1, 2018.
- 2499 Section 30. Section 32B-6-205.2 is amended to read:
- 2500 **32B-6-205.2. Specific operational requirements for a full-service restaurant**
2501 **license -- On and after July 1, 2018, or July 1, 2022.**
- 2502 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2503 Requirements, a full-service restaurant licensee and staff of the full-service restaurant licensee
2504 shall comply with this section.
- 2505 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
2506 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
2507 (i) a full-service restaurant licensee;

2508 (ii) individual staff of a full-service restaurant licensee; or
2509 (iii) both a full-service restaurant licensee and staff of the full-service restaurant
2510 licensee.

2511 (2) (a) An individual who serves an alcoholic product in a full-service restaurant
2512 licensee's premises shall make a beverage tab for each table or group that orders or consumes
2513 an alcoholic product on the premises.

2514 (b) A beverage tab described in this Subsection (2) shall state the type and amount of
2515 each alcoholic product ordered or consumed.

2516 (3) A full-service restaurant licensee may not make an individual's willingness to serve
2517 an alcoholic product a condition of employment with a full-service restaurant licensee.

2518 (4) (a) A full-service restaurant licensee may sell, offer for sale, or furnish liquor at the
2519 licensed premises during the following time periods only:

2520 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

2521 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2522 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2523 (b) A full-service restaurant licensee may sell, offer for sale, or furnish beer at the
2524 licensed premises during the following time periods only:

2525 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2526 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2527 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2528 (5) (a) A full-service restaurant licensee may not furnish an alcoholic product for
2529 on-premise consumption except after:

2530 (i) the patron to whom the full-service restaurant licensee furnishes the alcoholic
2531 product is seated at:

2532 (A) a table that is located in a dining area or a dispensing area;

2533 (B) a counter that is located in a dining area or a dispensing area; or

2534 (C) a dispensing structure that is located in a dispensing area; and

2535 (ii) the full-service restaurant licensee confirms that the patron intends to:

2536 (A) order food prepared, sold, and furnished at the licensed premises; and

2537 (B) except as provided in Subsection (5)(b), consume the food at the same location

2538 where the patron is seated and furnished the alcoholic product.

2539 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a
2540 full-service restaurant licensee, the full-service restaurant licensee may sell, offer for sale, or
2541 furnish to the patron one drink that contains a single portion of an alcoholic product as
2542 described in Section 32B-5-304 if:

2543 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing
2544 structure; and

2545 (B) the full-service restaurant licensee first confirms that after the patron is seated in
2546 the dining area, the patron intends to order food prepared, sold, and furnished at the licensed
2547 premises.

2548 (ii) If the patron does not finish the patron's alcoholic product before moving to a seat
2549 in the dining area, an employee of the full-service restaurant licensee who is qualified to sell
2550 and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished portion
2551 of the patron's alcoholic product to the patron's seat in the dining area.

2552 (iii) For purposes of Subsection (5)(b)(i) a single portion of wine is five ounces or less.

2553 (c) Notwithstanding Section 32B-5-307, a full-service restaurant licensee may not
2554 furnish beer for off-premise consumption except after the patron consumes on the licensed
2555 premises food prepared, sold, and furnished at the licensed premises.

2556 [(e)] (d) A full-service restaurant licensee shall maintain on the licensed premises
2557 adequate culinary facilities for food preparation and dining accommodations.

2558 (6) A patron may consume an alcoholic product on the full-service restaurant licensee's
2559 licensed premises only if the patron is seated at:

2560 (a) a table that is located in a dining area or dispensing area;

2561 (b) a counter that is located in a dining area or dispensing area; or

2562 (c) a dispensing structure located in a dispensing area.

2563 (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have
2564 more than two alcoholic products of any kind at a time before the patron.

2565 (b) A patron may not have more than one spirituous liquor drink at a time before the
2566 patron.

2567 (c) An individual portion of wine is considered to be one alcoholic product under
2568 Subsection (7)(a).

2569 (8) In accordance with the provisions of this section, an individual who is at least 21

2570 years [~~of age~~] old may consume food and beverages in a dispensing area.

2571 (9) (a) Except as provided in Subsection (9)(b), a minor may not sit, remain, or
2572 consume food or beverages in a dispensing area.

2573 (b) (i) A minor may be in a dispensing area if the minor is:

2574 (A) at least 16 years [~~of age~~] old and working as an employee of the full-service
2575 restaurant licensee; or

2576 (B) performing maintenance and cleaning services as an employee of the full-service
2577 restaurant licensee when the full-service restaurant licensee is not open for business.

2578 (ii) If there is no alternative route available, a minor may momentarily pass through a
2579 dispensing area without remaining or sitting in the dispensing area en route to an area of the
2580 full-service restaurant licensee's premises in which the minor is permitted to be.

2581 (10) Except as provided in Subsection [32B-5-307\(3\)](#), a full-service restaurant licensee
2582 may dispense an alcoholic product only if:

2583 (a) the alcoholic product is dispensed from:

2584 (i) a dispensing structure that is located in a dispensing area;

2585 (ii) an area that is:

2586 (A) separated from an area for the consumption of food by a patron by a solid,
2587 translucent, permanent structural barrier such that the facilities for the dispensing of an
2588 alcoholic product are not readily visible to a patron and not accessible by a patron; and

2589 (B) apart from an area used for dining, for staging, or as a waiting area; or

2590 (iii) the premises of a bar licensee that is:

2591 (A) owned by the same person or persons as the full-service restaurant licensee; and

2592 (B) located immediately adjacent to the premises of the full-service restaurant licensee;

2593 and

2594 (b) any instrument or equipment used to dispense alcoholic product is located in an
2595 area described in Subsection (10)(a).

2596 (11) (a) A full-service restaurant licensee may have more than one dispensing area in
2597 the licensed premises.

2598 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
2599 dispensing area under Subsection [32B-6-202\(2\)\(a\)\(i\)](#), (ii), or (iii), regardless of how any other
2600 dispensing area in the licensed premises satisfies the requirements for a dispensing area.

- 2601 (12) A full-service restaurant licensee may not:
- 2602 (a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or
- 2603 (b) display an alcoholic product or a product intended to appear like an alcoholic
- 2604 product by moving a cart or similar device around the licensed premises.
- 2605 (13) A full-service restaurant licensee may state in a food or alcoholic product menu a
- 2606 charge or fee made in connection with the sale, service, or consumption of liquor, including:
- 2607 (a) a set-up charge;
- 2608 (b) a service charge; or
- 2609 (c) a chilling fee.
- 2610 (14) (a) In addition to the requirements described in Section 32B-5-302, a full-service
- 2611 restaurant licensee shall maintain each of the following records for at least three years:
- 2612 (i) a record required by Section 32B-5-302; and
- 2613 (ii) a record that the commission requires a full-service restaurant licensee to use or
- 2614 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 2615 Rulemaking Act.
- 2616 (b) The department shall audit the records of a full-service restaurant licensee at least
- 2617 once [~~each calendar year~~] annually.
- 2618 (15) A full-service restaurant licensee may lease to a patron of the full-service
- 2619 restaurant licensee a locked storage space:
- 2620 (a) that the commission considers proper for the storage of wine; and
- 2621 (b) for the storage of wine that:
- 2622 (i) the patron purchases from the full-service restaurant licensee; and
- 2623 (ii) only the full-service restaurant licensee or staff of the full-service restaurant
- 2624 licensee may remove from the locker for the patron's use in accordance with this title,
- 2625 including:
- 2626 (A) service and consumption on licensed premises as described in Section 32B-5-306;
- 2627 or
- 2628 (B) removal from the full-service retail licensee's licensed premises in accordance with
- 2629 Section 32B-5-307.
- 2630 (16) (a) In accordance with Section 32B-6-205.3, a full-service restaurant licensee:
- 2631 (i) may comply with the provisions of this section beginning on or after July 1, 2017;

2632 and

2633 (ii) shall comply with the provisions of this section:

2634 (A) for a full-service restaurant licensee that does not have a grandfathered bar
2635 structure, on and after July 1, 2018; or

2636 (B) for a full-service restaurant licensee that has a grandfathered bar structure, on and
2637 after July 1, 2022.

2638 (b) A full-service restaurant licensee that elects to comply with the provisions of this
2639 section before the latest applicable date described in Subsection (16)(a)(ii):

2640 (i) shall comply with each provision of this section; and

2641 (ii) is not required to comply with the provisions of Section 32B-6-205.

2642 Section 31. Section 32B-6-205.3 is amended to read:

2643 **32B-6-205.3. Transition process for full-service restaurant licensees.**

2644 (1) For a full-service restaurant license issued on or after July 1, 2017, the full-service
2645 restaurant licensee shall comply with the provisions of Section 32B-6-205.2.

2646 (2) For a full-service restaurant license issued before July 1, 2017, before the
2647 full-service restaurant licensee changes the full-service restaurant licensee's approved location
2648 for storage, dispensing, or consumption to comply with the provisions of Section 32B-6-205.2,
2649 the full-service restaurant licensee shall submit an application for approval to the department in
2650 accordance with Subsection 32B-5-303(3).

2651 (3) (a) Except as provided in Subsection (4), a person who holds a full-service
2652 restaurant license issued before July 1, 2017, shall comply with the provisions of Section
2653 32B-6-205.2 on or before July 1, 2018.

2654 (b) A full-service restaurant licensee described in Subsection (3)(a) that cannot comply
2655 with the provisions of Section 32B-6-205.2 without a change to the full-service restaurant
2656 licensee's approved location for storage, dispensing, or consumption:

2657 (i) may submit an application for approval described in Subsection (2) on or after May
2658 9, 2017; and

2659 (ii) shall submit an application for approval described in Subsection (2) on or before
2660 May 1, 2018.

2661 (c) If a full-service restaurant licensee described in Subsection (3)(a) submits an
2662 application for approval described in Subsection (2) on May 9, 2017, the department shall take

2663 action on the application on or before July 1, 2017.

2664 (4) (a) A person who holds a full-service restaurant license issued before July 1, 2017,
2665 and has a grandfathered bar structure shall comply with the provisions of Section [32B-6-205.2](#)
2666 on or before the earlier of:

2667 (i) July 1, 2022;

2668 (ii) the date on which the full-service restaurant licensee remodels, as defined by
2669 commission rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2670 Rulemaking Act, the full-service restaurant licensee's grandfathered bar structure or dining
2671 area; or

2672 (iii) the date on which the full-service restaurant licensee experiences a change of
2673 ownership described in Subsection [~~32B-8a-202~~] [32B-18-202](#)(1).

2674 (b) A full-service restaurant licensee described in Subsection (4)(a) that cannot comply
2675 with the provisions of Section [32B-6-205.2](#) without a change to the full-service restaurant
2676 licensee's approved location for storage, dispensing, or consumption:

2677 (i) may submit an application for approval described in Subsection (2) on or after May
2678 9, 2017; and

2679 (ii) shall submit an application for approval described in Subsection (2) on or before
2680 May 1, 2022.

2681 Section 32. Section **32B-6-305** is amended to read:

2682 **32B-6-305. Specific operational requirements for a limited-service restaurant**
2683 **license -- Before July 1, 2018, or July 1, 2022.**

2684 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2685 Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
2686 licensee shall comply with this section.

2687 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
2688 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

2689 (i) a limited-service restaurant licensee;

2690 (ii) individual staff of a limited-service restaurant licensee; or

2691 (iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
2692 licensee.

2693 (2) (a) A limited-service restaurant licensee on the licensed premises may not sell, offer

2694 for sale, furnish, or allow consumption of:

- 2695 (i) spirituous liquor; or
- 2696 (ii) a flavored malt beverage.

2697 (b) A product listed in Subsection (2)(a) may not be on the premises of a
2698 limited-service restaurant licensee except for use:

- 2699 (i) as a flavoring on a dessert; and
- 2700 (ii) in the preparation of a flaming food dish, drink, or dessert.

2701 (3) In addition to complying with Section [32B-5-303](#), a limited-service restaurant
2702 licensee shall store an alcoholic product in a storage area described in Subsection (11)(a).

2703 (4) (a) An individual who serves an alcoholic product in a limited-service restaurant
2704 licensee's premises shall make a written beverage tab for each table or group that orders or
2705 consumes an alcoholic product on the premises.

2706 (b) A beverage tab required by this Subsection (4) shall list the type and amount of an
2707 alcoholic product ordered or consumed.

2708 (5) A person's willingness to serve an alcoholic product may not be made a condition
2709 of employment as a server with a limited-service restaurant licensee.

2710 (6) (a) A limited-service restaurant licensee may sell, offer for sale, or furnish wine or
2711 heavy beer at the licensed premises during the following time periods only:

- 2712 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or
- 2713 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2714 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2715 (b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer at the
2716 licensed premises during the following time periods only:

- 2717 (i) on a weekday, during the period that beings at 11:30 a.m. and ends at 12:59 a.m.; or
- 2718 (ii) on a weekend or state or federal legal holiday or for a private event, during the
2719 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2720 (7) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish an
2721 alcoholic product for on-premise consumption except after the limited-service restaurant
2722 licensee confirms that the patron has the intent to order food prepared, sold, and furnished at
2723 the licensed premises.

2724 (b) Notwithstanding Section [32B-5-307](#), a limited-service restaurant licensee may not

2725 sell, offer for sale, or furnish beer for off-premise consumption except after the patron
2726 consumes on the licensed premises food prepared, sold, and furnished at the licensed premises.

2727 ~~[(b)]~~ (c) A limited-service restaurant licensee shall maintain on the licensed premises
2728 adequate culinary facilities for food preparation and dining accommodations.

2729 (8) (a) Subject to the other provisions of this Subsection (8), a patron may not have
2730 more than two alcoholic products of any kind at a time before the patron.

2731 (b) An individual portion of wine is considered to be one alcoholic product under
2732 Subsection (8)(a).

2733 (9) A patron may consume an alcoholic product on the limited-service restaurant
2734 licensee's licensed premises only:

2735 (a) at:

2736 (i) the patron's table;

2737 (ii) a counter; or

2738 (iii) a seating grandfathered bar structure; and

2739 (b) where food is served.

2740 (10) (a) A limited-service restaurant licensee may not sell, offer for sale, or furnish an
2741 alcoholic product to a patron, and a patron may not consume an alcoholic product at a bar
2742 structure that is not a seating grandfathered bar structure.

2743 (b) At a seating grandfathered bar structure a patron who is 21 years [~~of age~~] old or
2744 older may:

2745 (i) sit;

2746 (ii) be furnished an alcoholic product; and

2747 (iii) consume an alcoholic product.

2748 (c) Except as provided in Subsection (10)(d), at a seating grandfathered bar structure a
2749 limited-service restaurant licensee may not permit a minor to, and a minor may not:

2750 (i) sit; or

2751 (ii) consume food or beverages.

2752 (d) (i) A minor may be at a seating grandfathered bar structure if the minor is employed
2753 by a limited-service restaurant licensee:

2754 (A) as provided in Subsection 32B-5-308(2); or

2755 (B) to perform maintenance and cleaning services during an hour when the

2756 limited-service restaurant licensee is not open for business.

2757 (ii) A minor may momentarily pass by a seating grandfathered bar structure without
2758 remaining or sitting at the bar structure en route to an area of a limited-service restaurant
2759 licensee's premises in which the minor is permitted to be.

2760 (11) Except as provided in Subsection 32B-5-307(3), a limited-service restaurant
2761 licensee may dispense an alcoholic product only if:

2762 (a) the alcoholic product is dispensed from:

2763 (i) a grandfathered bar structure;

2764 (ii) an area adjacent to a grandfathered bar structure that is visible to a patron sitting at
2765 the grandfathered bar structure if that area is used to dispense an alcoholic product as of May
2766 12, 2009; or

2767 (iii) an area that is:

2768 (A) separated from an area for the consumption of food by a patron by a solid,
2769 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
2770 an alcoholic product are:

2771 (I) not readily visible to a patron; and

2772 (II) not accessible by a patron; and

2773 (B) apart from an area used:

2774 (I) for dining;

2775 (II) for staging; or

2776 (III) as a lobby or waiting area;

2777 (b) the limited-service restaurant licensee uses an alcoholic product that is:

2778 (i) stored in an area described in Subsection (11)(a); or

2779 (ii) in an area not described in Subsection (11)(a) on the licensed premises and:

2780 (A) immediately before the alcoholic product is dispensed it is in an unopened
2781 container;

2782 (B) the unopened container is taken to an area described in Subsection (11)(a) before it
2783 is opened; and

2784 (C) once opened, the container is stored in an area described in Subsection (11)(a); and

2785 (c) any instrument or equipment used to dispense alcoholic product is located in an
2786 area described in Subsection (11)(a).

2787 (12) A limited-service restaurant licensee may state in a food or alcoholic product
2788 menu a charge or fee made in connection with the sale, service, or consumption of wine or
2789 heavy beer including:

- 2790 (a) a set-up charge;
- 2791 (b) a service charge; or
- 2792 (c) a chilling fee.

2793 (13) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
2794 beverages within 10 feet of a grandfathered bar structure, unless:

2795 (a) seating within 10 feet of the grandfathered bar structure is the only seating available
2796 in the licensed premises; and

2797 (b) the minor is accompanied by an individual who is 21 years [~~of age~~] old or older.

2798 (14) Except as provided in Subsection 32B-6-305.2(15) and Section 32B-6-305.3, the
2799 provisions of this section apply before July 1, 2018.

2800 Section 33. Section 32B-6-305.2 is amended to read:

2801 **32B-6-305.2. Specific operational requirements for a limited-service restaurant**
2802 **license -- On and after July 1, 2018, or July 1, 2022.**

2803 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
2804 Requirements, a limited-service restaurant licensee and staff of the limited-service restaurant
2805 licensee shall comply with this section.

2806 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
2807 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

- 2808 (i) a limited-service restaurant licensee;
- 2809 (ii) individual staff of a limited-service restaurant licensee; or
- 2810 (iii) both a limited-service restaurant licensee and staff of the limited-service restaurant
2811 licensee.

2812 (2) (a) An individual who serves an alcoholic product in a limited-service restaurant
2813 licensee's premises shall make a beverage tab for each table or group that orders or consumes
2814 an alcoholic product on the premises.

2815 (b) A beverage tab described in this Subsection (2) shall state the type and amount of
2816 each alcoholic product ordered or consumed.

2817 (3) A limited-service restaurant licensee may not make an individual's willingness to

2818 serve an alcoholic product a condition of employment with a limited-service restaurant
2819 licensee.

2820 (4) (a) A limited-service restaurant licensee may sell, offer for sale, or furnish wine or
2821 heavy beer at the licensed premises during the following time periods only:

2822 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 11:59 p.m.; or

2823 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2824 period that begins at 10:30 a.m. and ends at 11:59 p.m.

2825 (b) A limited-service restaurant licensee may sell, offer for sale, or furnish beer at the
2826 licensed premises during the following time periods only:

2827 (i) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

2828 (ii) on a weekend or a state or federal legal holiday or for a private event, during the
2829 period that begins at 10:30 a.m. and ends at 12:59 a.m.

2830 (5) (a) A limited-service restaurant licensee may not furnish an alcoholic product for
2831 on-premise consumption except after:

2832 (i) the patron to whom the limited-service restaurant licensee furnishes the alcoholic
2833 product is seated at:

2834 (A) a table that is located in a dining area or a dispensing area;

2835 (B) a counter that is located in a dining area or a dispensing area; or

2836 (C) a dispensing structure that is located in a dispensing area; and

2837 (ii) the limited-service restaurant licensee confirms that the patron intends to:

2838 (A) order food prepared, sold, and furnished at the licensed premises; and

2839 (B) except as provided in Subsection (5)(b), consume the food at the same location
2840 where the patron is seated and furnished the alcoholic product.

2841 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a
2842 limited-service restaurant licensee, the limited-service restaurant licensee may sell, offer for
2843 sale, or furnish to the patron one drink that contains a single portion of an alcoholic product as
2844 described in Section 32B-5-304 if:

2845 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing
2846 structure; and

2847 (B) the limited-service restaurant licensee first confirms that after the patron is seated
2848 in the dining area, the patron intends to order food prepared, sold, and furnished at the licensed

2849 premises.

2850 (ii) If the patron does not finish the patron's alcoholic product before moving to a seat
2851 in the dining area, an employee of the limited-service restaurant licensee who is qualified to
2852 sell and serve an alcoholic product under Section 32B-5-306 shall transport any unfinished
2853 portion of the patron's alcoholic product to the patron's seat in the dining area.

2854 (iii) For purposes of Subsection (5)(b)(i) a single portion of wine is 5 ounces or less.

2855 (c) Notwithstanding Section 32B-5-307, a limited-service restaurant licensee may not
2856 furnish beer for off-premise consumption except after the patron consumes on the licensed
2857 premises food prepared, sold, and furnished at the licensed premises.

2858 ~~(c)~~ (d) A limited-service restaurant licensee shall maintain on the licensed premises
2859 adequate culinary facilities for food preparation and dining accommodations.

2860 (6) A patron may consume an alcoholic product on the limited-service restaurant
2861 licensee's licensed premises only if the patron is seated at:

2862 (a) a table that is located in a dining area or a dispensing area;

2863 (b) a counter that is located in a dining area or a dispensing area; or

2864 (c) a dispensing structure located in a dispensing area.

2865 (7) (a) Subject to the other provisions of this Subsection (7), a patron may not have
2866 more than two alcoholic products of any kind at a time before the patron.

2867 (b) An individual portion of wine is considered to be one alcoholic product under
2868 Subsection (7)(a).

2869 (8) In accordance with the provisions of this section, an individual who is at least 21
2870 years ~~of age~~ old may consume food and beverages in a dispensing area.

2871 (9) (a) Except as provided in Subsection (9)(b), a minor may not sit, remain, or
2872 consume food or beverages in a dispensing area.

2873 (b) (i) A minor may be in a dispensing area if the minor is:

2874 (A) at least 16 years ~~of age~~ old and working as an employee of the limited-service
2875 restaurant licensee; or

2876 (B) performing maintenance and cleaning services as an employee of the
2877 limited-service restaurant licensee when the limited-service restaurant licensee is not open for
2878 business.

2879 (ii) If there is no alternative route available, a minor may momentarily pass through a

2880 dispensing area without remaining or sitting in the dispensing area en route to an area of the
2881 limited-service restaurant licensee's premises in which the minor is permitted to be.

2882 (10) Except as provided in Subsection 32B-5-307(3), a limited-service restaurant
2883 licensee may dispense an alcoholic product only if:

2884 (a) the alcoholic product is dispensed from:

2885 (i) a dispensing structure that is located in a dispensing area;

2886 (ii) an area that is:

2887 (A) separated from an area for the consumption of food by a patron by a solid,

2888 translucent, permanent structural barrier such that the facilities for the dispensing of an

2889 alcoholic product are not readily visible to a patron and not accessible by a patron; and

2890 (B) apart from an area used for dining, for staging, or as a waiting area; or

2891 (iii) the premises of a bar licensee that is:

2892 (A) owned by the same person or persons as the limited-service restaurant licensee; and

2893 (B) located immediately adjacent to the premises of the limited-service restaurant

2894 licensee; and

2895 (b) any instrument or equipment used to dispense alcoholic product is located in an

2896 area described in Subsection (10)(a).

2897 (11) (a) A limited-service restaurant licensee may have more than one dispensing area
2898 in the licensed premises.

2899 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
2900 dispensing area under Subsection 32B-6-202(2)(a)(i), (ii), or (iii), regardless of how any other
2901 dispensing area in the licensed premises satisfies the requirements for a dispensing area.

2902 (12) A limited-service restaurant licensee may not:

2903 (a) transfer, dispense, or serve an alcoholic product on or from a movable cart; or

2904 (b) display an alcoholic product or a product intended to appear like an alcoholic
2905 product by moving a cart or similar device around the licensed premises.

2906 (13) A limited-service restaurant licensee may state in a food or alcoholic product
2907 menu a charge or fee made in connection with the sale, service, or consumption of wine or
2908 heavy beer, including:

2909 (a) a set-up charge;

2910 (b) a service charge; or

2911 (c) a chilling fee.

2912 (14) (a) In addition to the requirements described in Section 32B-5-302, a
2913 limited-service restaurant licensee shall maintain each of the following records for at least three
2914 years:

2915 (i) a record required by Section 32B-5-302; and

2916 (ii) a record that the commission requires a limited-service restaurant licensee to use or
2917 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2918 Rulemaking Act.

2919 (b) The department shall audit the records of a limited-service restaurant licensee at
2920 least once each calendar year.

2921 (15) (a) In accordance with Section 32B-6-305.3, a limited-service restaurant licensee:

2922 (i) may comply with the provisions of this section beginning on or after July 1, 2017;

2923 and

2924 (ii) shall comply with the provisions of this section:

2925 (A) for a limited-service restaurant licensee that does not have a grandfathered bar
2926 structure, on and after July 1, 2018; or

2927 (B) for a limited-service restaurant licensee that has a grandfathered bar structure, on
2928 and after July 1, 2022.

2929 (b) A limited-service restaurant licensee that elects to comply with the provisions of
2930 this section before the latest applicable date described in Subsection (15)(a)(ii):

2931 (i) shall comply with each provision of this section; and

2932 (ii) is not required to comply with the provisions of Section 32B-6-305.

2933 Section 34. Section 32B-6-305.3 is amended to read:

2934 **32B-6-305.3. Transition process for limited-service restaurant licensees.**

2935 (1) For a limited-service restaurant license issued on or after July 1, 2017, the
2936 limited-service restaurant licensee shall comply with the provisions of Section 32B-6-305.2.

2937 (2) For a limited-service restaurant license issued before July 1, 2017, before the
2938 limited-service restaurant licensee changes the limited-service restaurant licensee's approved
2939 location for storage, dispensing, or consumption to comply with the provisions of Section
2940 32B-6-305.2, the limited-service restaurant licensee shall submit an application for approval to
2941 the department in accordance with Subsection 32B-5-303(3).

2942 (3) (a) Except as provided in Subsection (4), a person who holds a limited-service
2943 restaurant license issued before July 1, 2017, shall comply with the provisions of Section
2944 [32B-6-305.2](#) on or before July 1, 2018.

2945 (b) A limited-service restaurant licensee described in Subsection (3)(a) that cannot
2946 comply with the provisions of Section [32B-6-305.2](#) without a change to the limited-service
2947 restaurant licensee's approved location for storage, dispensing, or consumption:

2948 (i) may submit an application for approval described in Subsection (2) on or after May
2949 9, 2017; and

2950 (ii) shall submit an application for approval described in Subsection (2) on or before
2951 May 1, 2018.

2952 (c) If a limited-service restaurant licensee described in Subsection (3)(a) submits an
2953 application for approval described in Subsection (2) on May 9, 2017, the department shall take
2954 action on the application on or before July 1, 2017.

2955 (4) (a) A person who holds a limited-service restaurant license issued before July 1,
2956 2017, and has a grandfathered bar structure shall comply with the provisions of Section
2957 [32B-6-305.2](#) on or before the earlier of:

2958 (i) July 1, 2022;

2959 (ii) the date on which the limited-service restaurant licensee remodels, as defined by
2960 commission rule made in accordance with Title 63G, Chapter 3, Utah Administrative
2961 Rulemaking Act, the limited-service restaurant licensee's grandfathered bar structure or dining
2962 area; or

2963 (iii) the date on which the limited-service restaurant licensee experiences a change of
2964 ownership described in Subsection [~~32B-8a-202~~] [32B-18-202](#)(1).

2965 (b) A limited-service restaurant licensee described in Subsection (4)(a) that cannot
2966 comply with the provisions of Section [32B-6-305.2](#) without a change to the limited-service
2967 restaurant licensee's approved location for storage, dispensing, or consumption:

2968 (i) may submit an application for approval described in Subsection (2) on or after May
2969 9, 2017; and

2970 (ii) shall submit an application for approval described in Subsection (2) on or before
2971 May 1, 2022.

2972 Section 35. Section **32B-6-404.1** is amended to read:

2973 **32B-6-404.1. Transition from dining club license to full-service restaurant license.**

2974 (1) As used in this section:

2975 (a) "Converted full-service restaurant licensee" means a dining club licensee that
2976 converts to a full-service restaurant licensee on or before July 1, 2018, in accordance with
2977 Subsection [32B-6-404\(7\)](#).

2978 (b) "Grandfathered bar structure" means the same as that term is defined in Section
2979 [32B-6-202](#).

2980 (2) (a) Except as provided in Subsection (2)(c) and subject to the provisions of this
2981 section, a converted full-service restaurant licensee shall operate under the provisions that
2982 govern a full-service restaurant licensee that has a grandfathered bar structure.

2983 (b) For purposes of applying the provisions that govern a full-service restaurant
2984 licensee with a grandfathered bar structure, a converted full-service restaurant licensee's bar
2985 structure is considered a grandfathered bar structure.

2986 (c) The provisions of Section [32B-6-205.3](#) do not apply to a converted full-service
2987 restaurant licensee.

2988 (3) (a) A converted full-service restaurant licensee shall comply with the provisions of
2989 Section [32B-6-205.2](#) on or before the earlier of:

2990 (i) July 1, 2022;

2991 (ii) the date on which the converted full-service restaurant licensee remodels, as
2992 defined by commission rule made in accordance with Title 63G, Chapter 3, Utah
2993 Administrative Rulemaking Act, the converted full-service restaurant licensee's bar structure or
2994 dining area; or

2995 (iii) the date on which the converted full-service restaurant licensee experiences a
2996 change of ownership described in Subsection [~~32B-8a-202~~] [32B-18-202](#)(1).

2997 (b) Before a converted full-service restaurant licensee changes the converted
2998 full-service restaurant licensee's approved location for storage, dispensing, or consumption to
2999 comply with the provisions of Section [32B-6-205.2](#), the converted full-service restaurant
3000 licensee shall submit an application for approval to the department in accordance with
3001 Subsection [32B-5-303\(3\)](#).

3002 (c) A converted full-service restaurant licensee that cannot comply with the provisions
3003 of Section [32B-6-205.2](#) without a change to the converted full-service restaurant licensee's

3004 approved location for storage, dispensing, or consumption shall submit an application for
3005 approval described in Subsection (3)(b) on or before May 1, 2022.

3006 (4) (a) Notwithstanding any provision to the contrary, a converted full-service
3007 restaurant licensee shall maintain at least the following percentage of the converted full-service
3008 restaurant licensee's total restaurant business from the sale of food:

3009 (i) beginning the day on which the licensee becomes a converted full-service restaurant
3010 licensee, and ending June 30, 2019, 64%;

3011 (ii) beginning July 1, 2019, and ending June 30, 2020, 68%; and

3012 (iii) on and after July 1, 2021, 70%.

3013 (b) For purposes of Subsection (4)(a), a converted full-service restaurant licensee's
3014 restaurant business from the sale of food does not include:

3015 (i) mix for an alcoholic product; or

3016 (ii) a service charge.

3017 Section 36. Section **32B-6-605** is amended to read:

3018 **32B-6-605. Specific operational requirements for on-premise banquet license.**

3019 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
3020 Requirements, an on-premise banquet licensee and staff of the on-premise banquet licensee
3021 shall comply with this section.

3022 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3023 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3024 (i) an on-premise banquet licensee;

3025 (ii) individual staff of an on-premise banquet licensee; or

3026 (iii) both an on-premise banquet licensee and staff of the on-premise banquet licensee.

3027 (2) An on-premise banquet licensee shall comply with Subsections **32B-5-301**(4) and
3028 (5) for the entire premises of the hotel, resort facility, sports center, convention center, [or]
3029 performing arts facility, or arena that is the basis for the on-premise banquet license.

3030 (3) (a) For the purpose described in Subsection (3)(b), an on-premise banquet licensee
3031 shall provide the department with advance notice of a scheduled banquet in accordance with
3032 rules made by the commission.

3033 (b) Any of the following may conduct a random inspection of a banquet:

3034 (i) an authorized representative of the commission or the department; or

3035 (ii) a law enforcement officer.

3036 (4) (a) An on-premise banquet licensee is not subject to Section 32B-5-302, but shall
3037 make and maintain the records the commission or department requires.

3038 (b) Section 32B-1-205 applies to a record required to be made or maintained in
3039 accordance with this Subsection (4).

3040 (5) (a) Except as otherwise provided in this title, an on-premise banquet licensee may
3041 sell, offer for sale, or furnish an alcoholic product at a banquet only for consumption at the
3042 location of the banquet.

3043 (b) Except as provided in Subsection 32B-5-307(4), a host of a banquet, a patron, or a
3044 person other than the on-premise banquet licensee or staff of the on-premise banquet licensee,
3045 may not remove an alcoholic product from the premises of the banquet.

3046 (c) Notwithstanding [~~Subsection 32B-5-307(3)~~] Subsections 32B-5-307(3) and (5) and
3047 except as provided in Subsection 32B-5-307(4), a patron at a banquet may not bring an
3048 alcoholic product into or onto, or remove an alcoholic product from, the premises of a banquet.

3049 (6) (a) An on-premise banquet licensee may not leave an unsold alcoholic product at
3050 the banquet following the conclusion of the banquet.

3051 (b) At the conclusion of a banquet, an on-premise banquet licensee shall:

3052 (i) destroy an opened and unused alcoholic product that is not saleable, under
3053 conditions established by the department; and

3054 (ii) return to the on-premise banquet licensee's approved locked storage area any:

3055 (A) opened and unused alcoholic product that is saleable; and

3056 (B) unopened container of an alcoholic product.

3057 (c) Except as provided in Subsection (6)(b) with regard to an open or sealed container
3058 of an alcoholic product not sold or consumed at a banquet, an on-premise banquet licensee:

3059 (i) shall store the alcoholic product in the on-premise banquet licensee's approved
3060 locked storage area; and

3061 (ii) may use the alcoholic product at more than one banquet.

3062 (7) Notwithstanding Section 32B-5-308, an on-premise banquet licensee may not
3063 employ a minor to sell, furnish, or dispense an alcoholic product in connection with the
3064 on-premise banquet licensee's banquet and room service activities.

3065 (8) An on-premise banquet licensee:

- 3066 (a) may provide room service in portions described in Section 32B-5-304;
- 3067 (b) may not sell, offer for sale, or furnish an alcoholic product at a banquet or in
- 3068 connection with room service any day during a period that:
- 3069 (i) begins at 1 a.m.; and
- 3070 (ii) ends at 9:59 a.m.; and
- 3071 (c) notwithstanding Section 32B-5-305, may provide as room service one alcoholic
- 3072 product free of charge per guest reservation, per guest room, if the alcoholic product:
- 3073 (i) is not a spirituous liquor; and
- 3074 (ii) is in an unopened container not to exceed 750 milliliters.
- 3075 (9) (a) Subject to the other provisions of this Subsection (9), a patron may not have
- 3076 more than two alcoholic products of any kind at a time before the patron.
- 3077 (b) A patron may not have more than one spirituous liquor drink at a time before the
- 3078 patron.
- 3079 (c) An individual portion of wine is considered to be one alcoholic product under
- 3080 Subsection (9)(a).
- 3081 (10) (a) An on-premise banquet licensee shall supervise and direct a person involved in
- 3082 the sale, offer for sale, or furnishing of an alcoholic product.
- 3083 (b) A person involved in the sale, offer for sale, or furnishing of an alcoholic product
- 3084 shall complete an alcohol training and education seminar.
- 3085 (11) A staff person of an on-premise banquet licensee shall remain at the banquet at all
- 3086 times when an alcoholic product is sold, offered for sale, furnished, or consumed at the
- 3087 banquet.
- 3088 (12) (a) Room service of an alcoholic product to a guest room or privately owned
- 3089 dwelling unit of a hotel or resort facility shall be provided in person by staff of an on-premise
- 3090 banquet licensee only to an adult guest in the guest room or privately owned dwelling unit.
- 3091 (b) An alcoholic product may not be left outside a guest room or privately owned
- 3092 dwelling unit for retrieval by a guest or resident.
- 3093 (13) An on-premise banquet licensee may not maintain a minibar.
- 3094 Section 37. Section 32B-6-706 is amended to read:
- 3095 **32B-6-706. Specific operational requirements for on-premise beer retailer license.**
- 3096 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational

3097 Requirements, an on-premise beer retailer and staff of the on-premise beer retailer shall comply
3098 with this section.

3099 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3100 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3101 (i) an on-premise beer retailer;

3102 (ii) individual staff of an on-premise beer retailer; or

3103 (iii) both an on-premise beer retailer and staff of the on-premise beer retailer.

3104 (2) (a) An on-premise beer retailer is not subject to Section 32B-5-302, but shall make
3105 and maintain the records the department requires.

3106 (b) Section 32B-1-205 applies to a record required to be made or maintained in
3107 accordance with this Subsection (2).

3108 (3) Notwithstanding Section 32B-5-303, an on-premise beer retailer may not store or
3109 sell liquor on its licensed premises.

3110 [~~4~~] Beer sold in a sealed container by an on-premise beer retailer may be removed
3111 from the on-premise beer retailer premises in the sealed container.]

3112 [~~5~~] (4) (a) An on-premise beer retailer may not sell, offer for sale, or furnish beer at
3113 [~~its~~] the on-premise beer retailer's licensed premises during a period that:

3114 (i) begins at 1 a.m.; and

3115 (ii) ends at 9:59 a.m.

3116 (b) (i) Notwithstanding Subsection [~~5~~] (4)(a), a tavern shall remain open for one hour
3117 after the tavern ceases the sale and furnishing of beer during which time a patron of the tavern
3118 may finish consuming a single serving of beer not exceeding 26 ounces.

3119 (ii) A tavern is not required to remain open:

3120 (A) after all patrons have vacated the premises; or

3121 (B) during an emergency.

3122 [~~6~~] (5) Notwithstanding Section 32B-5-308, a minor may not be on the premises of a
3123 tavern.

3124 [~~7~~] (6) (a) (i) An on-premise beer retailer may not purchase, acquire, possess for the
3125 purpose of resale, or sell beer except beer that the on-premise beer retailer lawfully purchases
3126 from:

3127 (A) a beer wholesaler licensee; or

3128 (B) a small brewer that manufactures the beer.

3129 (ii) Violation of Subsection [~~(7)~~] (6)(a)(i) is a class A misdemeanor.

3130 (b) (i) If an on-premise beer retailer purchases beer under this Subsection [~~(7)~~] (6) from
3131 a beer wholesaler licensee, the on-premise beer retailer shall purchase beer only from a beer
3132 wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area
3133 in which the on-premise beer retailer is located, unless an alternate wholesaler is authorized by
3134 the department to sell to the on-premise beer retailer as provided in Section 32B-13-301.

3135 (ii) Violation of Subsection [~~(7)~~] (6)(b)(i) is a class B misdemeanor.

3136 [~~(8)~~] (7) A tavern shall comply with Section 32B-1-407.

3137 Section 38. Section 32B-6-905 is amended to read:

3138 **32B-6-905. Specific operational requirements for a beer-only restaurant license --**
3139 **Before July 1, 2018, or July 1, 2022.**

3140 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
3141 Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
3142 shall comply with this section.

3143 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3144 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

- 3145 (i) a beer-only restaurant licensee;
- 3146 (ii) individual staff of a beer-only restaurant licensee; or
- 3147 (iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.

3148 (2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
3149 sale, furnish, or allow consumption of liquor.

3150 (b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:

- 3151 (i) as a flavoring on a dessert; and
- 3152 (ii) in the preparation of a flaming food dish, drink, or dessert.

3153 (3) In addition to complying with Section 32B-5-303, a beer-only restaurant licensee
3154 shall store beer in a storage area described in Subsection (11)(a).

3155 (4) (a) An individual who serves beer in a beer-only restaurant licensee's premises shall
3156 make a written beverage tab for each table or group that orders or consumes an alcoholic
3157 product on the premises.

3158 (b) A beverage tab required by this Subsection (4) shall list the type and amount of

3159 beer ordered or consumed.

3160 (5) A person's willingness to serve beer may not be made a condition of employment as
3161 a server with a beer-only restaurant licensee.

3162 (6) A beer-only restaurant licensee may sell, offer for sale, or furnish beer at the
3163 licensed premises during the following time periods only:

3164 (a) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

3165 (b) on a weekend or a state or federal legal holiday or for a private event, during the
3166 period that begins at 10:30 a.m. and ends at 12:59 a.m.

3167 (7) (a) A beer-only restaurant may not sell, offer for sale, or furnish beer for on-premise
3168 consumption except after the beer-only restaurant licensee confirms that the patron has the
3169 intent to order food prepared, sold, and furnished at the licensed premises.

3170 (b) Notwithstanding Section [32B-5-307](#), a beer-only restaurant licensee may not sell,
3171 offer for sale, or furnish beer for off-premise consumption except after the patron consumes on
3172 the licensed premises food prepared, sold, and furnished at the licensed premises.

3173 ~~(b)~~ (c) A beer-only restaurant shall maintain on the licensed premises adequate
3174 culinary facilities for food preparation and dining accommodations.

3175 (8) A patron may not have more than two beers at a time before the patron.

3176 (9) A patron may consume a beer on the beer-only restaurant licensee's licensed
3177 premises only:

3178 (a) at:

3179 (i) the patron's table;

3180 (ii) a grandfathered bar structure; or

3181 (iii) a counter; and

3182 (b) where food is served.

3183 (10) (a) A beer-only restaurant licensee may not sell, offer for sale, or furnish a beer to
3184 a patron, and a patron may not consume an alcoholic product at a bar structure.

3185 (b) Notwithstanding Subsection (10)(a), at a grandfathered bar structure, a patron who
3186 is 21 years ~~[of age]~~ old or older may:

3187 (i) sit;

3188 (ii) be furnished a beer; and

3189 (iii) consume a beer.

3190 (c) Except as provided in Subsection (10)(d), at a grandfathered bar structure, a
3191 beer-only restaurant licensee may not permit a minor to, and a minor may not:

3192 (i) sit; or

3193 (ii) consume food or beverages.

3194 (d) (i) A minor may be at a grandfathered bar structure if the minor is employed by a
3195 beer-only restaurant licensee:

3196 (A) as provided in Subsection 32B-5-308(2); or

3197 (B) to perform maintenance and cleaning services during an hour when the beer-only
3198 restaurant licensee is not open for business.

3199 (ii) A minor may momentarily pass by a grandfathered bar structure without remaining
3200 or sitting at the bar structure en route to an area of a beer-only restaurant licensee's premises in
3201 which the minor is permitted to be.

3202 (11) A beer-only restaurant licensee may dispense a beer only if:

3203 (a) the beer is dispensed from an area that is:

3204 (i) a grandfathered bar structure; or

3205 (ii) separated from an area for the consumption of food by a patron by a solid,
3206 translucent, permanent structural barrier such that the facilities for the storage or dispensing of
3207 an alcoholic product are not readily visible to a patron, not accessible by a patron, and apart
3208 from an area used for dining, for staging, or as a lobby or waiting area;

3209 (b) the beer-only restaurant licensee uses a beer that is:

3210 (i) stored in an area described in Subsection (11)(a); or

3211 (ii) in an area not described in Subsection (11)(a) on the licensed premises and:

3212 (A) immediately before the beer is dispensed it is in an unopened container;

3213 (B) the unopened container is taken to an area described in Subsection (11)(a) before it
3214 is opened; and

3215 (C) once opened, the container is stored in an area described in Subsection (11)(a); and

3216 (c) any instrument or equipment used to dispense the beer is located in an area
3217 described in Subsection (11)(a).

3218 (12) Beginning on July 1, 2018, a minor may not sit, remain, or consume food or
3219 beverages within 10 feet of a grandfathered bar structure, unless:

3220 (a) seating within 10 feet of the grandfathered bar structure is the only seating available

3221 in the licensed premises; and

3222 (b) the minor is accompanied by an individual who is 21 years [~~of age~~] old or older.

3223 (13) Except as provided in Subsection 32B-6-905.1(15) and Section 32B-6-905.2, the
3224 provisions of this section apply before July 1, 2018.

3225 Section 39. Section 32B-6-905.1 is amended to read:

3226 **32B-6-905.1. Specific operational requirements for a beer-only restaurant license**
3227 **-- On and after July 1, 2018, or July 1, 2022.**

3228 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
3229 Requirements, a beer-only restaurant licensee and staff of the beer-only restaurant licensee
3230 shall comply with this section.

3231 (b) Failure to comply with Subsection (1)(a) may result in disciplinary action in
3232 accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3233 (i) a beer-only restaurant licensee;

3234 (ii) individual staff of a beer-only restaurant licensee; or

3235 (iii) both a beer-only restaurant licensee and staff of the beer-only restaurant licensee.

3236 (2) (a) A beer-only restaurant licensee on the licensed premises may not sell, offer for
3237 sale, furnish, or allow consumption of liquor.

3238 (b) Liquor may not be on the premises of a beer-only restaurant licensee except for use:

3239 (i) as a flavoring on a dessert; or

3240 (ii) in the preparation of a flaming food dish, drink, or dessert.

3241 (3) (a) An individual who serves beer in a beer-only restaurant licensee's premises shall
3242 make a beverage tab for each table or group that orders or consumes beer on the premises.

3243 (b) A beverage tab described in this Subsection (3) shall state the type and amount of
3244 each beer ordered or consumed.

3245 (4) A beer-only restaurant licensee may not make an individual's willingness to serve
3246 beer a condition of employment as a server with a beer-only restaurant licensee.

3247 (5) A beer-only restaurant licensee may sell, offer for sale, or furnish beer at the
3248 licensed premises during the following time periods only:

3249 (a) on a weekday, during the period that begins at 11:30 a.m. and ends at 12:59 a.m.; or

3250 (b) on a weekend or a state or federal legal holiday or for a private event, during the
3251 period that begins at 10:30 a.m. and ends at 12:59 a.m.

- 3252 (6) (a) A beer-only restaurant licensee may not furnish beer for on-premise
3253 consumption except after:
- 3254 (i) the patron to whom the beer-only restaurant licensee furnishes the beer is seated at:
3255 (A) a table that is located in a dining area or a dispensing area;
3256 (B) a counter that is located in a dining area or a dispensing area; or
3257 (C) a dispensing structure that is located in a dispensing area; and
3258 (ii) the beer-only restaurant licensee confirms that the patron intends to:
3259 (A) order food prepared, sold, and furnished at the licensed premises; and
3260 (B) except as provided in Subsection (6)(b), consume the food at the same location
3261 where the patron is seated and furnished the beer.
- 3262 (b) (i) While a patron waits for a seat at a table or counter in the dining area of a
3263 beer-only restaurant licensee, the beer-only restaurant licensee may sell, offer for sale, or
3264 furnish to the patron one portion of beer as described in Section 32B-5-304 if:
3265 (A) the patron is in a dispensing area and seated at a table, counter, or dispensing
3266 structure; and
3267 (B) the beer-only restaurant licensee first confirms that after the patron is seated in the
3268 dining area, the patron intends to order food prepared, sold, and furnished at the licensed
3269 premises.
- 3270 (ii) If the patron does not finish the patron's beer before moving to a seat in the dining
3271 area, an employee of the beer-only restaurant licensee who is qualified to sell and serve an
3272 alcoholic product under Section 32B-5-306 shall transport any unfinished portion of the
3273 patron's beer to the patron's seat in the dining area.
- 3274 (c) Notwithstanding Section 32B-5-307, a beer-only restaurant licensee may not
3275 furnish beer for off-premise consumption except after the patron consumes on the licensed
3276 premises food prepared, sold, and furnished at the licensed premises.
- 3277 [(e)] (d) A beer-only restaurant licensee shall maintain on the licensed premises
3278 adequate culinary facilities for food preparation and dining accommodations.
- 3279 (7) A patron may consume a beer on the beer-only licensee's licensed premises only at:
3280 (a) a table that is located in a dining area or a dispensing area;
3281 (b) a counter that is located in a dining area or a dispensing area; or
3282 (c) a dispensing structure located in a dispensing area.

3283 (8) A patron may not have more than two beers at a time before the patron.

3284 (9) In accordance with the provisions of this section, an individual who is at least 21
3285 years [~~of age~~] old may consume food and beverages in a dispensing area.

3286 (10) (a) Except as provided in Subsection (10)(b), a minor may not sit, remain, or
3287 consume food or beverages in a dispensing area.

3288 (b) (i) A minor may be in a dispensing area if the minor is:

3289 (A) at least 16 years [~~of age~~] old and working as an employee of the beer-only
3290 restaurant licensee; or

3291 (B) performing maintenance and cleaning services as an employee of the beer-only
3292 restaurant licensee when the beer-only restaurant licensee is not open for business.

3293 (ii) If there is no alternative route available, a minor may momentarily pass through a
3294 dispensing area without remaining or sitting in the dispensing area en route to an area of the
3295 beer-only restaurant licensee's premises in which the minor is permitted to be.

3296 (11) A beer-only restaurant licensee may dispense a beer only if:

3297 (a) the beer is dispensed from:

3298 (i) a dispensing structure that is located in a dispensing area;

3299 (ii) an area that is:

3300 (A) separated from an area for the consumption of food by a patron by a solid,
3301 translucent, permanent structural barrier such that the facilities for the dispensing of an
3302 alcoholic product are not readily visible to a patron and not accessible by a patron; and

3303 (B) apart from an area used for dining, for staging, or as a waiting area; or

3304 (iii) the premises of a bar licensee that is:

3305 (A) owned by the same person or persons as the beer-only restaurant licensee; and

3306 (B) located immediately adjacent to the premises of the beer-only restaurant licensee;

3307 and

3308 (b) any instrument or equipment used to dispense the beer is located in an area
3309 described in Subsection (11)(a).

3310 (12) (a) A beer-only restaurant licensee may have more than one dispensing area in the
3311 licensed premises.

3312 (b) Each dispensing area in a licensed premises may satisfy the requirements for a
3313 dispensing area under Subsection [32B-6-902\(1\)\(b\)\(i\)\(A\), \(B\), or \(C\)](#), regardless of how any

3314 other dispensing area in the licensed premises satisfies the requirements for a dispensing area.

3315 (13) A beer-only restaurant licensee may not transfer, dispense, or serve beer on or
3316 from a movable cart.

3317 (14) (a) In addition to the requirements described in Section 32B-5-302, a beer-only
3318 restaurant licensee shall maintain each of the following records for at least three years:

3319 (i) a record required by Section 32B-5-302; and

3320 (ii) a record that the commission requires a beer-only restaurant licensee to use or
3321 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
3322 Rulemaking Act.

3323 (b) The department shall audit the records of a beer-only restaurant licensee at least
3324 once [~~each calendar year~~] annually.

3325 (15) (a) In accordance with Section 32B-6-905.2, a beer-only restaurant licensee:

3326 (i) may comply with the provisions of this section beginning on or after July 1, 2017;
3327 and

3328 (ii) shall comply with the provisions of this section:

3329 (A) for a beer-only restaurant licensee that does not have a grandfathered bar structure,
3330 on and after July 1, 2018; or

3331 (B) for a beer-only restaurant licensee that has a grandfathered bar structure, on and
3332 after July 1, 2022.

3333 (b) A beer-only restaurant licensee that elects to comply with the provisions of this
3334 section before the latest applicable date described in Subsection (15)(a)(ii):

3335 (i) shall comply with each provision of this section; and

3336 (ii) is not required to comply with the provisions of Section 32B-6-905.

3337 Section 40. Section 32B-6-905.2 is amended to read:

3338 **32B-6-905.2. Transition process for beer-only restaurant licensees.**

3339 (1) For a beer-only restaurant license issued on or after July 1, 2017, the beer-only
3340 restaurant licensee shall comply with the provisions of Section 32B-6-905.1.

3341 (2) For a beer-only restaurant license issued before July 1, 2017, before the beer-only
3342 restaurant licensee changes the beer-only restaurant licensee's approved location for storage,
3343 dispensing, or consumption to comply with the provisions of Section 32B-6-905.1, the
3344 beer-only restaurant licensee shall submit an application for approval to the department in

3345 accordance with Subsection [32B-5-303\(3\)](#).

3346 (3) (a) Except as provided in Subsection (4), a person who holds a beer-only restaurant
3347 license issued before July 1, 2017, shall comply with the provisions of Section [32B-6-905.1](#) on
3348 or before July 1, 2018.

3349 (b) A beer-only restaurant licensee described in Subsection (3)(a) that cannot comply
3350 with the provisions of Section [32B-6-905.1](#) without a change to the beer-only restaurant
3351 licensee's approved location for storage, dispensing, or consumption:

3352 (i) may submit an application for approval described in Subsection (2) on or after May
3353 9, 2017; and

3354 (ii) shall submit an application for approval described in Subsection (2) on or before
3355 May 1, 2018.

3356 (c) If a beer-only restaurant licensee described in Subsection (3)(a) submits an
3357 application for approval described in Subsection (2) on May 9, 2017, the department shall take
3358 action on the application on or before July 1, 2017.

3359 (4) (a) A person who holds a beer-only restaurant license issued before July 1, 2017,
3360 and has a grandfathered bar structure shall comply with the provisions of Section [32B-6-905.1](#)
3361 on or before the earlier of:

3362 (i) July 1, 2022;

3363 (ii) the date on which the beer-only restaurant licensee remodels, as defined by
3364 commission rule made in accordance with Title 63G, Chapter 3, Utah Administrative
3365 Rulemaking Act, the beer-only restaurant licensee's grandfathered bar structure or dining area;
3366 or

3367 (iii) the date on which the beer-only restaurant licensee experiences a change of
3368 ownership described in Subsection [~~32B-8a-202~~] [32B-18-202\(1\)](#).

3369 (b) A beer-only restaurant licensee described in Subsection (4)(a) that cannot comply
3370 with the provisions of Section [32B-6-905.1](#) without a change to the beer-only restaurant
3371 licensee's approved location for storage, dispensing, or consumption:

3372 (i) may submit an application for approval described in Subsection (2) on or after May
3373 9, 2017; and

3374 (ii) shall submit an application for approval described in Subsection (2) on or before
3375 May 1, 2022.

3376 Section 41. Section **32B-6-1005** is amended to read:

3377 **32B-6-1005. Specific operational requirements for hospitality amenity license.**

3378 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
3379 Requirements, a hospitality amenity licensee and staff of the hospitality amenity licensee shall
3380 comply with this section.

3381 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3382 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3383 (i) the hospitality amenity licensee;

3384 (ii) individual staff of the hospitality amenity licensee; or

3385 (iii) both the hospitality amenity licensee and staff of the hospitality amenity licensee.

3386 (2) (a) A hospitality amenity licensee may sell, offer for sale, or furnish an alcoholic
3387 product:

3388 (i) to a hospitality guest; and

3389 (ii) for consumption in or on the hospitality amenity licensee's licensed premises.

3390 (b) (i) A hospitality amenity licensee may sell, offer for sale, or furnish an alcoholic
3391 product that is not spirituous liquor in or on:

3392 (A) licensed premises physically separated from an area to which a hospitality guest or
3393 the public has access by a permanent or temporary structure or barrier; or

3394 (B) licensed premises described in Subsection (2)(b)(ii).

3395 (ii) A hospitality amenity licensee may sell, offer for sale, or furnish spirituous liquor
3396 in or on licensed premises that:

3397 (A) allows access only through the use of a key or code; and

3398 (B) fills the entirety of a physically and permanently enclosed area within the hotel or
3399 resort.

3400 (c) Spirituous liquor may not be in or on the licensed premises described in Subsection
3401 (2)(b)(i)(A) of a hospitality amenity licensee, except for use:

3402 (i) as a flavoring on a dessert; and

3403 (ii) in the preparation of a flaming food dish or dessert.

3404 (d) A hospitality amenity licensee may not allow self-service of an alcoholic product in
3405 or on the hospitality amenity licensee's licensed premises.

3406 (3) (a) Subject to Subsections (3)(b) and (c), a hospitality guest may not have more

3407 than two alcoholic products of any kind at a time before the hospitality guest.

3408 (b) A hospitality guest may not have more than one spirituous liquor drink at a time
3409 before the hospitality guest.

3410 (c) An individual portion of wine is considered to be one alcoholic product under
3411 Subsection (3)(a).

3412 (4) A hospitality amenity licensee shall make food available at all times that the
3413 licensee sells, offers for sale, furnishes, or allows the consumption of an alcoholic product on
3414 the licensed premises.

3415 (5) (a) A hospitality amenity licensee may not sell, offer for sale, or furnish an
3416 alcoholic product any day during a period that:

3417 (i) begins at 1:00 a.m.; and

3418 (ii) ends at 9:59 a.m.

3419 (b) A hospitality amenity licensee shall remain open for one hour after the licensee
3420 ceases to sell and furnish an alcoholic product, during which time a hospitality guest in or on
3421 the hospitality amenity licensed premises may finish consuming:

3422 (i) a single drink containing spirituous liquor;

3423 (ii) a single serving of wine not exceeding five ounces;

3424 (iii) a single serving of heavy beer;

3425 (iv) a single serving of beer not exceeding 26 ounces; or

3426 (v) a single serving of a flavored malt beverage.

3427 (c) A hospitality amenity licensee is not required to remain open:

3428 (i) after all individuals have vacated the licensee's licensed premises; or

3429 (ii) during an emergency.

3430 (6) (a) Notwithstanding Section [32B-5-305](#), a hospitality amenity licensee may provide
3431 a hospitality guest up to two single servings of an alcoholic product free of charge or at a
3432 reduced rate, if:

3433 (i) the alcoholic product is not a spirituous liquor; and

3434 (ii) the hospitality amenity licensee offers the alcohol product:

3435 (A) to all hospitality guests;

3436 (B) during a specific time; and

3437 (C) on the hospitality amenity licensee's licensed premises.

3438 (b) Before a hospitality amenity licensee provides an alcoholic product free of charge
3439 or at a reduced rate as described in Subsection (6)(a), the licensee shall provide the department
3440 with advance notice of the event, in accordance with commission rules that permit a licensee to
3441 provide a single notice for a reoccurring event or multiple events.

3442 (7) A hospitality amenity licensee may permit a hospitality guest to purchase an
3443 alcoholic product through a charge to the hospitality guest's lodging accommodations.

3444 (8) (a) [~~A~~] Notwithstanding Section 32B-5-307, a hospitality guest, or a person other
3445 than the hospitality amenity licensee or staff of the hospitality amenity licensee, may not
3446 remove an alcoholic product from the hospitality amenity licensee's licensed premises.

3447 (b) Notwithstanding Subsection 32B-5-307(3), a hospitality guest may not bring an
3448 alcoholic product within the hospitality amenity licensee's licensed premises.

3449 (9) A hospitality amenity licensee shall display at each entrance to the licensee's
3450 licensed premises a conspicuous sign that:

3451 (a) measures at least 8-1/2 inches long and 11 inches wide; and

3452 (b) clearly states that entry is limited to individuals who are hospitality guests, as
3453 defined in this title.

3454 (10) A hospitality amenity licensee may not permit a minor to enter the licensee's
3455 licensed premises at any time during which an alcoholic product is sold, offered for sale,
3456 furnished, or consumed, unless the minor is accompanied at all times on the licensed premises
3457 by a hospitality guest.

3458 (11) A staff person of a hospitality amenity licensee shall remain on the licensed
3459 premises at all times when an alcoholic product is sold, offered for sale, furnished, or
3460 consumed in or on the licensed premises.

3461 (12) A hospitality amenity licensee may transfer an alcoholic product to or from
3462 another licensee within the boundary of the hotel or within the boundary of the resort building,
3463 if:

3464 (a) the hospitality amenity licensee and each licensee involved in the transfer tracks the
3465 transfer of the alcoholic product; and

3466 (b) the alcoholic product is in a sealed, unopened container.

3467 (13) (a) In addition to the requirements described in Section 32B-5-302, a hospitality
3468 amenity licensee shall maintain each of the following records for at least three years:

3469 (i) a record required under Section [32B-5-302](#); and
3470 (ii) a record that the commission requires a hospitality amenity licensee to use or
3471 maintain under a rule made in accordance with Title 63G, Chapter 3, Utah Administrative
3472 Rulemaking Act.

3473 (b) The department shall audit the records of a hospitality amenity licensee at least
3474 once [~~each calendar year~~] annually.

3475 Section 42. Section **32B-7-202** is amended to read:

3476 **32B-7-202. General operational requirements for off-premise beer retailer.**

3477 (1) (a) An off-premise beer retailer or staff of the off-premise beer retailer shall comply
3478 with the provisions of this title and any applicable rules made by the commission.

3479 (b) Failure to comply with this section may result in a suspension or revocation of a
3480 local license and, on or after July 1, 2018, disciplinary action in accordance with Chapter 3,
3481 Disciplinary Actions and Enforcement Act.

3482 (2) (a) (i) An off-premise beer retailer may not purchase, acquire, possess for the
3483 purpose of resale, or sell beer, except beer that the off-premise beer retailer lawfully purchases
3484 from:

3485 (A) a beer wholesaler licensee; or

3486 (B) a small brewer that manufactures the beer.

3487 (ii) A violation of Subsection (2)(a) is a class A misdemeanor.

3488 (b) (i) If an off-premise beer retailer purchases beer under this Subsection (2) from a
3489 beer wholesaler licensee, the off-premise beer retailer shall purchase beer only from a beer
3490 wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area
3491 in which the off-premise beer retailer is located, unless an alternate wholesaler is authorized by
3492 the department to sell to the off-premise beer retailer as provided in Section [32B-13-301](#).

3493 (ii) A violation of Subsection (2)(b) is a class B misdemeanor.

3494 (3) An off-premise beer retailer may not possess, sell, offer for sale, or furnish beer in a
3495 container larger than two liters.

3496 (4) (a) Staff of an off-premise beer retailer, while on duty, may not:

3497 (i) consume an alcoholic product; or

3498 (ii) be intoxicated.

3499 (b) A minor may not sell beer on the licensed premises of an off-premise beer retailer

3500 unless:

3501 (i) the sale is done under the supervision of a person 21 years [~~of age~~] old or older who
3502 is on the licensed premises; and

3503 (ii) the minor is at least 16 years [~~of age~~] old.

3504 (5) An off-premise beer retailer may not sell, offer for sale, or furnish an alcoholic
3505 product to:

3506 (a) a minor;

3507 (b) a person actually, apparently, or obviously intoxicated;

3508 (c) a known interdicted person; or

3509 (d) a known habitual drunkard.

3510 (6) (a) Subject to the other provisions of this Subsection (6), an off-premise beer
3511 retailer shall:

3512 (i) display all beer accessible by and visible to a patron in no more than two locations
3513 on the retail sales floor, each of which is:

3514 (A) a display cabinet, cooler, aisle, floor display, or room where beer is the only
3515 beverage displayed; and

3516 (B) not adjacent to a display of nonalcoholic beverages, unless the location is a cooler
3517 with a door from which the nonalcoholic beverages are not accessible, or the beer is separated
3518 from the display of nonalcoholic beverages by a display of one or more nonbeverage products
3519 or another physical divider; and

3520 (ii) display a sign in the area described in Subsection (6)(a)(i) that:

3521 (A) is prominent;

3522 (B) is easily readable by a consumer;

3523 (C) meets the requirements for format established by the commission by rule; and

3524 (D) reads in print that is no smaller than .5 inches, bold type, "These beverages contain
3525 alcohol. Please read the label carefully."

3526 (b) Notwithstanding Subsection (6)(a), a nonalcoholic beer may be displayed with beer
3527 if the nonalcoholic beer is labeled, packaged, or advertised as a nonalcoholic beer.

3528 (c) The requirements of this Subsection (6) apply to beer notwithstanding that it is
3529 labeled, packaged, or advertised as:

3530 (i) a malt cooler; or

- 3531 (ii) a beverage that may provide energy.
- 3532 (d) A violation of this Subsection (6) is an infraction.
- 3533 (e) (i) Except as provided in Subsection (6)(e)(ii), the provisions of Subsection (6)(a)(i)
- 3534 apply on and after May 9, 2017.
- 3535 (ii) For a beer retailer that operates two or more off-premise beer retailers, the
- 3536 provisions of Subsection (6)(a)(i) apply on and after August 1, 2017.
- 3537 (7) (a) Staff of an off-premise beer retailer who directly supervises the sale of beer or
- 3538 who sells beer to a patron for consumption off the premises of the off-premise beer retailer
- 3539 shall wear a unique identification badge:
- 3540 (i) on the front of the staff's clothing;
- 3541 (ii) visible above the waist;
- 3542 (iii) bearing the staff's:
- 3543 (A) first or last name;
- 3544 (B) initials; or
- 3545 (C) unique identification in letters or numbers; and
- 3546 (iv) with the number or letters on the unique identification badge being sufficiently
- 3547 large to be clearly visible and identifiable while engaging in or directly supervising the retail
- 3548 sale of beer.
- 3549 (b) An off-premise beer retailer shall make and maintain a record of each current staff's
- 3550 unique identification badge assigned by the off-premise beer retailer that includes the staff's:
- 3551 (i) full name;
- 3552 (ii) address; and
- 3553 (iii) (A) driver license number; or
- 3554 (B) similar identification number.
- 3555 (c) An off-premise beer retailer shall make available a record required to be made or
- 3556 maintained under this Subsection (7) for immediate inspection by:
- 3557 (i) a peace officer;
- 3558 (ii) a representative of the local authority that issues the off-premise beer retailer
- 3559 license; or
- 3560 (iii) for an off-premise beer retailer state license, a representative of the commission or
- 3561 department.

3562 (d) A local authority may impose a fine of up to \$250 against an off-premise beer
3563 retailer that does not comply or require its staff to comply with this Subsection (7).

3564 (8) (a) An off-premise beer retailer may sell, offer for sale, or furnish beer through a
3565 drive through window.

3566 (b) Subsection (8)(a) does not modify the display limitations and requirements
3567 described in Subsection (6).

3568 (9) An off-premise beer retailer may not on the licensed premises:

3569 (a) engage in or permit any form of:

3570 (i) gambling, as defined in Section [76-10-1101](#); or

3571 (ii) fringe gambling, as defined in Section [76-10-1101](#);

3572 (b) have any fringe gaming device, video gaming device, or gambling device or record
3573 as defined in Section [76-10-1101](#); or

3574 (c) engage in or permit a contest, game, gaming scheme, or gaming device that requires
3575 the risking of something of value for a return or for an outcome when the return or outcome is
3576 based upon an element of chance, excluding the playing of an amusement device that confers
3577 only an immediate and unrecorded right of replay not exchangeable for value.

3578 (10) An off-premise beer retailer may not knowingly allow a person on the licensed
3579 premises to, in violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter
3580 37a, Utah Drug Paraphernalia Act:

3581 (a) sell, distribute, possess, or use a controlled substance, as defined in Section
3582 [58-37-2](#); or

3583 (b) use, deliver, or possess, with the intent to deliver, drug paraphernalia, as defined in
3584 Section [58-37a-3](#).

3585 Section 43. Section **32B-7-305** is amended to read:

3586 **32B-7-305. Tracking of enforcement actions -- Costs of enforcement actions.**

3587 ~~[(1) A local authority that pursuant to this part adjudicates an administrative penalty for~~
3588 ~~a violation of a law involving the sale of an alcoholic product to a minor, shall:]~~

3589 ~~[(a) maintain a record of an adjudicated violation until the record is expunged under~~
3590 ~~Subsection (3);]~~

3591 ~~[(b) include in the record described in Subsection (1)(a):]~~

3592 ~~[(i) the name of the individual who commits the violation;]~~

3593 ~~[(ii) the name of the off-premise beer retailer for whom the individual is a staff~~
3594 ~~member at the time of the violation; and]~~

3595 ~~[(iii) the date of the adjudication of the violation; and]~~

3596 ~~[(c) provide the information described in Subsection (1)(b) to the Department of Public~~
3597 ~~Safety within 30 days of the date on which a violation is adjudicated.]~~

3598 ~~[(2) (a) The Department of Public Safety shall develop and operate a system to collect,~~
3599 ~~analyze, maintain, track, and disseminate the violation history information received under~~
3600 ~~Subsection (1).]~~

3601 ~~[(b) The Department of Public Safety shall make the system described in Subsection~~
3602 ~~(2)(a) available to:]~~

3603 ~~[(i) assist a local authority in assessing administrative penalties under Section~~
3604 ~~32B-7-303; and]~~

3605 ~~[(ii) inform an off-premise beer retailer of an individual who has an administrative~~
3606 ~~violation history under Section 32B-7-303.]~~

3607 ~~[(c) The Department of Public Safety shall maintain a record of violation history~~
3608 ~~information received pursuant to Subsection (1) until the record is expunged under Subsection~~
3609 ~~(3).]~~

3610 ~~[(3) (a) A local authority and the Department of Public Safety shall expunge from the~~
3611 ~~records maintained an administrative penalty imposed under Section 32B-7-303 for purposes of~~
3612 ~~determining future administrative penalties under Section 32B-7-303 if the individual has not~~
3613 ~~been found in violation of any law involving the sale of an alcoholic product to a minor for a~~
3614 ~~period of 36 consecutive months from the day on which the individual is last adjudicated as~~
3615 ~~violating a law involving the sale of an alcoholic product to a minor.]~~

3616 ~~[(b) A local authority shall expunge from the records maintained by the local authority~~
3617 ~~an administrative penalty imposed under Section 32B-7-303 against an off-premise beer~~
3618 ~~retailer for purposes of determining future administrative penalties under Section 32B-7-303 if~~
3619 ~~the off-premise beer retailer or any staff of that off-premise beer retailer has not been found in~~
3620 ~~violation of any law involving the sale of an alcoholic product to a minor for a period of 36~~
3621 ~~consecutive months from the day on which the off-premise beer retailer or staff of the~~
3622 ~~off-premise beer retailer is last adjudicated as violating a law involving the sale of an alcoholic~~
3623 ~~product to a minor.]~~

3624 ~~[(4)]~~ (1) The Department of Public Safety shall administer a program to reimburse a
3625 municipal or county law enforcement agency:

3626 (a) for the actual costs of an alcohol-related compliance check investigation conducted
3627 pursuant to Section [77-39-101](#) on the premises of an off-premise beer retailer;

3628 (b) for administrative costs associated with reporting the compliance check
3629 investigation described in Subsection ~~[(4)]~~ (1)(a);

3630 (c) if the municipal or county law enforcement agency completes and submits to the
3631 Department of Public Safety a report within 90 days ~~[of]~~ after the day on which the compliance
3632 check investigation described in Subsection ~~[(4)]~~ (1)(a) occurs in a format required by the
3633 Department of Public Safety; and

3634 (d) in the order that the municipal or county law enforcement agency submits the report
3635 required by Subsection ~~[(4)]~~ (1)(c) until the amount allocated by the Department of Public
3636 Safety to reimburse a municipal or county law enforcement agency is spent.

3637 ~~[(5) The Department of Public Safety shall report to the Utah Substance Use and
3638 Mental Health Advisory Council by no later than October 1 following a fiscal year on the
3639 following funded during the prior fiscal year:]~~

3640 ~~[(a) compliance check investigations reimbursed under Subsection (4); and]~~

3641 ~~[(b) the collection, analysis, maintenance, tracking, and dissemination of violation
3642 history information described in Subsection (2).]~~

3643 (2) By no later than October 1 of each year, the Department of Public Safety shall
3644 report to the Utah Substance Use and Mental Health Advisory Council on the compliance
3645 check investigations:

3646 (a) funded during the previous fiscal year; and

3647 (b) reimbursed under Subsection (1).

3648 Section 44. Section **32B-8-201** is amended to read:

3649 **32B-8-201. Commission's power to issue a resort license.**

3650 (1) Before a person as a resort under a single license may store, sell, offer for sale,
3651 furnish, or allow the consumption of an alcoholic product on sublicense premises, the person
3652 shall first obtain a resort license from the commission in accordance with this part.

3653 (2) (a) The commission may issue to a person a resort license to allow the storage, sale,
3654 offer for sale, furnishing, and consumption of an alcoholic product in connection with a resort

3655 designated in the resort license if the person operates at least four sublicenses under the resort
3656 license.

3657 (b) A resort license shall:

3658 (i) consist of:

3659 (A) a general resort license; and

3660 (B) four or more sublicenses; and

3661 (ii) designate the boundary of the resort building.

3662 (c) This chapter does not prohibit an alcoholic product in or on the boundary of the
3663 resort building to the extent otherwise permitted by this title.

3664 (3) The commission may not issue a total number of resort licenses that at any time
3665 totals more than [~~four~~] eight.

3666 Section 45. Section **32B-8b-301** is amended to read:

3667 **32B-8b-301. Specific operational requirements for hotel license.**

3668 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
3669 Requirements, a hotel licensee, staff of the hotel licensee, and a sublicensee or person
3670 otherwise operating under a sublicense shall comply with this section.

3671 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
3672 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

3673 (i) the hotel licensee;

3674 (ii) individual staff of the hotel licensee;

3675 (iii) a sublicensee or person otherwise operating under a sublicense of the hotel
3676 licensee;

3677 (iv) individual staff of a sublicensee or person otherwise operating under a sublicense
3678 of the hotel licensee; or

3679 (v) any combination of the persons listed in this Subsection (1)(b).

3680 (2) (a) A hotel licensee may not sell, offer for sale, or furnish an alcoholic product
3681 except:

3682 (i) on sublicensed premises;

3683 (ii) pursuant to a permit issued under this title; or

3684 (iii) under a package agency agreement with the department, subject to Chapter 2, Part
3685 6, Package Agency.

3686 (b) A hotel licensee who sells, offers for sale, or furnishes an alcoholic product as
3687 provided in Subsection (2)(a) shall sell, offer for sale, or furnish the alcoholic product:

3688 (i) if on sublicensed premises, in accordance with the operational requirements
3689 described in Section [32B-8d-104](#);

3690 (ii) if under a permit issued under this title, in accordance with the operational
3691 requirements under the provisions applicable to the permit; and

3692 (iii) if as a package agency, in accordance with the contract with the department and
3693 Chapter 2, Part 6, Package Agency.

3694 (c) Notwithstanding the other provisions of this Subsection (2) and except as provided
3695 in Section [32B-8d-104](#), a hotel licensee may not permit a patron to carry an alcoholic product
3696 off the premises of a sublicense in violation of Section [32B-5-307](#) or off an area designated
3697 under a permit.

3698 (3) A hotel licensee shall supervise and direct a person involved in the sale, offer for
3699 sale, or furnishing of an alcoholic product under a hotel license.

3700 (4) (a) Room service of an alcoholic product to a lodging accommodation of a hotel
3701 licensee shall be provided in person by staff of the hotel licensee only to an adult occupant in
3702 the lodging accommodation.

3703 (b) An alcoholic product may not be left outside a lodging accommodation for retrieval
3704 by an occupant.

3705 (5) A hotel licensee shall operate in a manner so that at least 70% of the annual
3706 aggregate of the gross receipts related to the sale of food or beverages for the hotel license and
3707 each of the hotel license's sublicenses is from the sale of food, not including:

3708 (a) mix for an alcoholic product; and

3709 (b) a charge in connection with the service of an alcoholic product.

3710 Section 46. Section **32B-8c-202** is amended to read:

3711 **32B-8c-202. Specific licensing requirements for arena license.**

3712 (1) To obtain an arena license, in addition to complying with Chapter 5, Part 2, Retail
3713 Licensing Process, a person shall submit with the person's written application:

3714 (a) evidence:

3715 (i) of proximity of the arena to any community location;

3716 (ii) that each proposed sublicense premises is entirely within the arena; and

- 3717 (iii) that the building designated in the application as the arena qualifies as an arena;
 3718 and
 3719 (b) a description and map of the arena.
- 3720 (2) (a) An arena license expires on October 31 of each year.
 3721 (b) To renew a person's arena license, the person shall comply with the requirements of
 3722 Chapter 5, Part 2, Retail Licensing Process, by no later than September 30.
- 3723 (3) (a) The nonrefundable application fee for an arena license is \$500.
 3724 (b) The initial license fee for an arena license is calculated as follows:
 3725 (i) if the person applies for three sublicenses under the arena license, \$5,000; or
 3726 (ii) if the person applies for more than three sublicenses under the arena license, the
 3727 sum of:
 3728 (A) \$5,000; and
 3729 (B) \$1,000 for each sublicense in excess of three sublicenses for which the person
 3730 applies.
- 3731 (c) The renewal fee for an arena license is \$1,000 plus \$1,000 for each sublicense
 3732 under the arena license.
- 3733 (4) (a) The bond amount required for an arena license is the penal sum of \$100,000.
 3734 (b) An arena licensee is not required to have a separate bond for each sublicense,
 3735 except that the aggregate of the bonds posted by the arena licensee shall cover each sublicense
 3736 under the arena license.
- 3737 (5) [~~In accordance with Subsection 32B-8d-103(4)~~] Except as prohibited in Subsection
 3738 32B-1-202.1(4), an arena may request to add a sublicense after the commission issues the arena
 3739 licensee's arena license, in accordance with Subsection 32B-8d-103(4).
- 3740 Section 47. Section **32B-8d-102** is amended to read:
 3741 **32B-8d-102. Definitions.**
 3742 As used in this chapter:
 3743 [~~(1) "Resident" means the same as that term is defined in Section 32B-8-102.~~]
 3744 (1) "Boundary of a hotel" means the same as that term is defined in Section
 3745 32B-8b-102.
 3746 (2) "Boundary of a resort building" means the same as that term is defined in Section
 3747 32B-8b-102.

3748 (3) "Hotel" means the same as that term is defined in Section [32B-8b-102](#).

3749 ~~[(2)]~~ (4) "Resort building" means the same as that term is defined in Section
3750 [32B-8-102](#).

3751 ~~[(3)]~~ (5) [~~"Resort spa"~~] "Spa" means a spa:

3752 (a) as the commission defines by rule made in accordance with Title 63G, Chapter 3,
3753 Utah Administrative Rulemaking Act; and

3754 (b) that is within the:

3755 (i) boundary of a resort building~~[-];~~ or

3756 (ii) boundary of a hotel.

3757 Section 48. Section **32B-8d-103** is amended to read:

3758 **32B-8d-103. Commission's power to issue a sublicense.**

3759 (1) Before a person as a sublicensee may store, sell, offer for sale, furnish, or allow the
3760 consumption of an alcoholic product on sublicensed premises, the person shall first obtain a
3761 sublicense from the commission in accordance with:

3762 (a) this chapter;

3763 (b) Chapter 8, Resort License Act;

3764 (c) Chapter 8b, Hotel License Act; and

3765 (d) Chapter 8c, Arena License Act.

3766 (2) (a) The commission may issue to a person a sublicense to allow the storage, sale,
3767 offering for sale, furnishing, or consumption of an alcoholic product on the premises of the
3768 sublicense, if the person is:

3769 (i) a principal licensee; or

3770 (ii) a person seeking a principal license, contingent on the issuance of the principal
3771 license.

3772 (b) The commission may not:

3773 (i) issue a sublicense that is separate from a principal license; or

3774 (ii) issue a single sublicense that covers more than one outlet in or on the boundaries of
3775 the principal licensee.

3776 (3) (a) ~~[Subject to Subsections (3)(b) and (c)]~~ Except as provided in Subsection (3)(b),
3777 when determining the total number of licenses the commission has issued for each type of retail
3778 license, the commission may not include a sublicense as one of the retail licenses issued under

3779 the provisions applicable to that sublicense.

3780 ~~[(b) If a principal license includes a bar establishment sublicense that before the~~
3781 ~~issuance of the principal license was a bar establishment license, the commission shall include~~
3782 ~~the bar establishment sublicense as a bar establishment license in calculating the total number~~
3783 ~~of licenses issued under the provisions applicable to a bar establishment license.]~~

3784 [(e)] (b) If a resort license includes a sublicense that before the issuance of the resort
3785 license was a retail license that was not a bar establishment license, the commission shall
3786 include the sublicense as a license in calculating the total number of licenses issued under the
3787 provisions applicable to the sublicense.

3788 (4) If a principal licensee seeks to add a sublicense after the commission issues the
3789 person's principal license, the principal licensee shall file with the department:

3790 (a) a nonrefundable \$300 application fee;

3791 (b) an initial license fee of \$2,250, which the commission shall refund if the
3792 commission does not issue the proposed sublicense;

3793 (c) written consent of the local authority;

3794 (d) a copy of:

3795 (i) the principal licensee's current business; and

3796 (ii) the proposed sublicensee's current business license, if the relevant political
3797 subdivision determines that the proposed sublicensee's business license is separate from the
3798 principal licensee's business license;

3799 (e) evidence that the proposed sublicensed premises is entirely within the boundary of
3800 the principal license;

3801 (f) a description, floor plan, and boundary map of the proposed sublicensed premises
3802 designating:

3803 (i) each location at which the principal licensee proposes that an alcoholic product be
3804 stored; and

3805 (ii) each location from which the principal licensee proposes that an alcoholic product
3806 be sold, furnished, or consumed;

3807 (g) evidence that the principal licensee carries:

3808 (i) public liability insurance in an amount and form satisfactory to the department; and

3809 (ii) dramshop insurance coverage in the amount required by Section [32B-5-201](#) that

3810 covers the proposed sublicense;

3811 (h) a signed consent form stating that the principal licensee will permit any authorized
3812 representative of the commission or department, or any law enforcement officer, to have an
3813 unrestricted right to enter the proposed sublicensed premises;

3814 (i) if the principal licensee is an entity, proper verification evidencing that a person
3815 who signs the application is authorized to sign on behalf of the entity; and

3816 (j) any other information the commission or department may require.

3817 Section 49. Section **32B-8d-104** is amended to read:

3818 **32B-8d-104. General operational requirements for a sublicense.**

3819 (1) Except as provided in Subsections (2) through (4), a person operating under a
3820 sublicense is subject to the operational requirements under the provisions applicable to the
3821 sublicense.

3822 (2) Notwithstanding a requirement in the provisions applicable to the sublicense, a
3823 person operating under the sublicense is not subject to a requirement that a certain percentage
3824 of the gross receipts for the sublicense be from the sale of food, except to the extent that the
3825 gross receipts for the sublicense are included in calculating the percentages under Subsections
3826 [32B-8-401\(3\)](#), [32B-8b-301\(5\)](#), and [32B-8c-301\(3\)](#).

3827 (3) Notwithstanding Sections [32B-6-202](#) and [32B-6-302](#), a bar structure in a
3828 sublicensed premises operated under a full-service restaurant sublicense or a limited-service
3829 restaurant sublicense is considered a grandfathered bar structure if the sublicense is a
3830 sublicense to a resort license issued on or before December 31, 2010.

3831 (4) Notwithstanding Section [32B-5-307](#):

3832 (a) a patron may transport beer between the sublicensed premises of an arena licensee's
3833 accompanying sublicenses, if the patron transports the beer from and to an area of each
3834 sublicensed premises:

3835 (i) that is adjacent to the other; and

3836 (ii) where the consumption of beer is permitted; and

3837 (b) staff of a sublicensee or person otherwise operating under a sublicense of a hotel
3838 licensee or a resort licensee may transport an alcoholic beverage from and to sublicensed
3839 premises of the hotel license or resort license, if:

3840 (i) the sublicensee is:

- 3841 (A) a full-service restaurant sublicensee;
- 3842 (B) a limited-service restaurant sublicensee;
- 3843 (C) a bar establishment sublicensee;
- 3844 (D) a beer-only restaurant sublicensee; or
- 3845 (E) an on-premise beer retailer sublicensee;
- 3846 (ii) the individual staff carries the alcoholic beverage:
- 3847 (A) from the sublicensed premises of a sublicensee described in Subsection (4)(b)(i);
- 3848 (B) briefly through an unlicensed area or briefly through sublicensed premises on
- 3849 which the type of alcoholic beverage that the individual staff carries is permitted; and
- 3850 (C) to the sublicensed premises of a sublicensee described in Subsection (4)(b)(i); and
- 3851 (iii) the individual staff at all times stays within:
- 3852 (A) the boundary of the hotel~~[, as defined in Section 32B-8b-102]~~; or
- 3853 (B) the boundary of the resort building~~[, as defined in Section 32B-8-102]~~.
- 3854 (5) Except as provided in Section 32B-8-502, for purposes of interpreting an
- 3855 operational requirement imposed by the provisions applicable to a sublicense:
- 3856 (a) a requirement imposed on a sublicensee or person operating under a sublicense
- 3857 applies to the principal licensee; and
- 3858 (b) a requirement imposed on staff of a sublicensee or person operating under a
- 3859 sublicense applies to staff of the principal licensee.
- 3860 Section 50. Section 32B-8d-201 is amended to read:
- 3861 **32B-8d-201. Title.**
- 3862 This part is known as "[Resort] Spa Sublicense."
- 3863 Section 51. Section 32B-8d-202 is amended to read:
- 3864 **32B-8d-202. Commission's power to issue a spa sublicense.**
- 3865 (1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of
- 3866 an alcoholic product on the person's premises as a [resort] spa sublicensee, a resort licensee, a
- 3867 hotel licensee, or a person applying for a resort license or a hotel license shall first obtain a
- 3868 [resort] spa sublicense from the commission in accordance with this part.
- 3869 (2) The commission may only issue a [resort] spa sublicense to:
- 3870 (a) a resort licensee; ~~[or]~~
- 3871 (b) a hotel licensee;

3872 ~~[(b)]~~ (c) a person applying for a resort license, contingent on the issuance of the resort
 3873 license~~[-]; or~~

3874 (d) a person applying for a hotel license, contingent on the issuance of the hotel license.

3875 (3) ~~[The resort]~~ A spa sublicense premises shall fall entirely within the:

3876 (a) boundary of a resort building that is part of the resort to which the [resort] spa
 3877 sublicense is connected[-]; or

3878 (b) boundary of a hotel that is part of the hotel to which the spa sublicense is
 3879 connected.

3880 Section 52. Section **32B-8d-203** is amended to read:

3881 **32B-8d-203. Specific licensing requirements for spa sublicense.**

3882 (1) (a) In accordance with Subsection **32B-8d-103**(2), a person may not file a written
 3883 application with the department to obtain a [resort] spa sublicense that is separate from the
 3884 person's application [of the] for a resort license or a hotel license, unless the person seeks the
 3885 [resort] spa sublicense after the commission issues the person a resort license or a hotel license.

3886 (b) If a resort licensee or a hotel licensee seeks to add a [resort] spa sublicense after
 3887 [its] the licensee's resort license or hotel license is issued, the [resort] licensee shall comply
 3888 with Subsection 32B-8d-103(4).

3889 (2) (a) A [resort] spa sublicense expires on October 31 of each year.

3890 (b) ~~[A resort licensee desiring to renew the resort licensee's resort]~~ To renew a spa
 3891 sublicense, the corresponding resort licensee or hotel licensee shall renew the [resort] spa
 3892 sublicense as part of renewing the licensee's resort license or hotel license.

3893 (c) (i) Failure of a resort licensee to meet the renewal requirements for a resort license
 3894 results in an automatic forfeiture of the [resort] spa sublicense effective [on the date] the day on
 3895 which the resort license expires.

3896 (ii) Failure of a hotel licensee to meet the renewal requirements for a hotel license
 3897 results in an automatic forfeiture of the spa sublicense effective the day on which the hotel
 3898 license expires.

3899 Section 53. Section **32B-8d-204** is amended to read:

3900 **32B-8d-204. Specific qualifications for a spa sublicense.**

3901 (1) A person employed to act in a supervisory or managerial capacity for the [resort]
 3902 spa sublicense is subject to qualification requirements of Section **32B-1-304** for licensees.

3903 (2) If a person no longer possesses the qualifications required by Section [32B-1-304](#) for
 3904 obtaining the [~~resort license or resort~~] spa sublicense or the corresponding resort license or
 3905 hotel license, the commission may suspend or revoke the [~~resort~~] spa sublicense that is part of
 3906 the resort license or hotel license.

3907 Section 54. Section **32B-8d-205** is amended to read:

3908 **32B-8d-205. Specific operational requirements for a spa sublicense.**

3909 (1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational
 3910 Requirements, a resort licensee [~~and~~],² staff of the resort licensee, a hotel licensee, and staff of
 3911 the hotel licensee, shall comply with this section.

3912 (b) A [~~resort~~] spa sublicensee or a person otherwise operating under a [~~resort~~] spa
 3913 sublicense and staff of a [~~resort~~] spa sublicensee or a person otherwise operating under a
 3914 [~~resort~~] spa sublicense shall comply with:

3915 (i) Chapter 5, Part 3, Retail Licensee Operational Requirements as if the [~~resort~~] spa
 3916 sublicensee is a retail licensee, unless a provision conflicts with this chapter; and

3917 (ii) this chapter.

3918 (c) Subject to Section [32B-8-502](#), failure to comply as provided in Subsection (1)(a)
 3919 may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and
 3920 Enforcement Act, against:

3921 (i) a resort licensee;

3922 (ii) staff of [~~the~~] a resort licensee;

3923 (iii) a hotel licensee;

3924 (iv) staff of a hotel licensee;

3925 [~~(iii)~~] (v) a [~~resort~~] spa sublicensee or person otherwise operating under a [~~resort~~] spa
 3926 sublicense;

3927 [~~(iv)~~] (vi) individual staff of a [~~resort~~] spa sublicensee or person otherwise operating
 3928 under a [~~resort~~] spa sublicense; or

3929 [~~(v)~~] (vii) any combination of the persons listed in Subsections (1)(c)(i) through [~~(iv)~~]
 3930 (vi).

3931 (2) (a) For purposes of the [~~resort~~] spa sublicense, the corresponding resort licensee or
 3932 hotel licensee shall ensure that a record is maintained or used for the [~~resort~~] spa sublicense:

3933 (i) as the department requires; and

- 3934 (ii) for a minimum period of three years.
- 3935 (b) A [resort] spa sublicensee record is subject to inspection by an authorized
3936 representative of the commission and the department.
- 3937 (c) A resort licensee or a hotel licensee shall allow the department, through a
3938 compliance officer of the department, to audit the records for a [resort] spa sublicense at the
3939 times the department considers advisable.
- 3940 (d) The department shall audit the records for a [resort] spa sublicense at least once
3941 annually.
- 3942 (e) Section 32B-1-205 applies to a record required to be made, maintained, or used in
3943 accordance with this Subsection (2).
- 3944 (3) (a) A [resort] spa sublicensee or person operating under a [resort] spa sublicense
3945 may not sell, offer for sale, or furnish liquor at a [resort] spa during a period that:
- 3946 (i) begins at 1 a.m.; and
3947 (ii) ends at 9:59 a.m.
- 3948 (b) A [resort] spa sublicensee or person operating under a [resort] spa sublicense may
3949 sell, offer for sale, or furnish beer during the hours specified in Chapter 6, Part 7, On-Premise
3950 Beer Retailer License, for an on-premise beer retailer.
- 3951 (c) (i) Notwithstanding Subsections (3)(a) and (b), a [resort] spa shall remain open for
3952 one hour after the [resort] spa ceases the sale and furnishing of an alcoholic product during
3953 which time a person at the [resort] spa may finish consuming:
- 3954 (A) a single drink containing spirituous liquor;
3955 (B) a single serving of wine not exceeding five ounces;
3956 (C) a single serving of heavy beer;
3957 (D) a single serving of beer not exceeding 26 ounces; or
3958 (E) a single serving of a flavored malt beverage.
- 3959 (ii) A [resort] spa is not required to remain open:
- 3960 (A) after all individuals have vacated the [resort] spa sublicensee's sublicensed
3961 premises; or
3962 (B) during an emergency.
- 3963 (4) (a) A minor may not be admitted into, use, or be on the sublicensed premises of a
3964 [resort] spa sublicense unless accompanied by an individual 21 years ~~of age~~ old or older.

3965 (b) A minor permitted under Subsection (4)(a) to be admitted into, use, or be on the
3966 sublicensed premises of a [resort] spa sublicense:

3967 (i) may only be admitted into or be on a lounge or bar area of the [resort] spa
3968 sublicensee's sublicensed premises momentarily while en route to another area of the [resort]
3969 spa; and

3970 (ii) may not remain or sit in the lounge or bar area of the [resort] spa sublicensee's
3971 sublicensed premises.

3972 (5) A [resort] spa sublicensee shall have food available at all times when an alcoholic
3973 product is sold, offered for sale, furnished, or consumed on the [resort] spa sublicensee's
3974 sublicensed premises.

3975 (6) (a) Subject to the other provisions of this Subsection (6), a patron may not have
3976 more than two alcoholic products of any kind at a time before the patron.

3977 (b) A [resort] spa patron may not have two spirituous liquor drinks before the [resort]
3978 spa patron if one of the spirituous liquor drinks consists only of the primary spirituous liquor
3979 for the other spirituous liquor drink.

3980 (c) An individual portion of wine is considered to be one alcoholic product under this
3981 Subsection (6).

3982 (7) (a) An alcoholic product may only be consumed at a table or counter.

3983 (b) An alcoholic product may not be served to or consumed by a patron at a dispensing
3984 structure.

3985 (8) (a) A [resort] spa sublicensee or person operating under a [resort] spa sublicense
3986 shall have available on the [resort] spa sublicense's sublicensed premises for a patron to review
3987 at the time that the patron requests it, a written alcoholic product price list or a menu containing
3988 the price of an alcoholic product sold or furnished by the [resort] spa sublicensee including:

3989 (i) a set-up charge;

3990 (ii) a service charge; or

3991 (iii) a chilling fee.

3992 (b) A charge or fee made in connection with the sale, service, or consumption of liquor
3993 may be stated in food or alcoholic product menus including:

3994 (i) a set-up charge;

3995 (ii) a service charge; or

3996 (iii) a chilling fee.

3997 (9) (a) A resort licensee or hotel licensee shall own or lease premises suitable for the
3998 [resort] spa sublicense's activities.

3999 (b) A resort licensee or hotel licensee may not maintain premises in a manner that
4000 barricades or conceals the [resort] spa sublicense's operation.

4001 (10) Subject to the other provisions of this section, a [resort] spa sublicensee or person
4002 operating under a [resort] spa sublicense may not sell an alcoholic product to or allow an
4003 individual to be admitted to or use the [resort] spa sublicensee's sublicensed premises other
4004 than:

4005 (a) a resident; or

4006 (b) a customer.

4007 Section 55. Section **32B-9-303** is amended to read:

4008 **32B-9-303. Director's power to issue single event permit.**

4009 (1) Before a person may sell, offer for sale, or furnish liquor at retail for on-premise
4010 consumption at an event, the person shall first obtain a single event permit from the director in
4011 accordance with this part.

4012 (2) (a) Subject to Subsection (5), the director may issue a single event permit to any of
4013 the following that is conducting a convention, civic, or community enterprise, a bona fide:

4014 (i) partnership;

4015 (ii) corporation;

4016 (iii) limited liability company;

4017 (iv) religious organization;

4018 (v) political organization;

4019 (vi) incorporated association;

4020 (vii) recognized subordinate lodge, chapter, or other local unit of an entity described in
4021 this Subsection (2)(a);

4022 (viii) state agency; or

4023 (ix) political subdivision of the state.

4024 (b) The director may not issue a single event permit to an entity that has not been in
4025 existence as a bona fide entity for at least one year before the day on which the entity applies
4026 for a single event permit.

- 4027 (3) (a) A single event permit may authorize:
- 4028 (i) the storage, sale, offering for sale, furnishing, and consumption of liquor at an event
- 4029 at which the storage, sale, offering for sale, furnishing, or consumption of liquor is otherwise
- 4030 prohibited by this title under either:
- 4031 (A) a 120 hour single event permit; or
- 4032 (B) a 72 hour single event permit; and
- 4033 (ii) the storage, sale, offer for sale, furnishing, and consumption of beer at the same
- 4034 event for the period that the storage, sale, offer for sale, furnishing, or consumption of liquor is
- 4035 authorized under Subsection (3)(a)(i) for the single event permit.
- 4036 (b) The single event permit shall state in writing whether ~~[it]~~ the single event permit is:
- 4037 (i) a 120 hour single event permit; or
- 4038 (ii) a 72 hour single event permit.
- 4039 (4) The director may not issue more than:
- 4040 (a) four single event permits in any one calendar year to the same person listed in
- 4041 Subsection (2) if one or more of the single event permits is a 120 hour single event permit; or
- 4042 (b) ~~[12]~~ 24 single event permits in any one calendar year to the same person listed in
- 4043 Subsection (2) if each of the single event permits issued to that person is a 72 hour single event
- 4044 permit.
- 4045 (5) Before the director issues or denies the issuance of a single event permit under this
- 4046 section, the director shall comply with Section [32B-9-202](#).
- 4047 Section 56. Section **32B-11-303** is amended to read:
- 4048 **32B-11-303. Specific authority and operational requirements for winery**
- 4049 **manufacturing license.**
- 4050 (1) A winery manufacturing license allows a winery manufacturing licensee to:
- 4051 (a) store, manufacture, transport, import, or export wine;
- 4052 (b) sell wine at wholesale to:
- 4053 (i) the department; and [to]
- 4054 (ii) an out-of-state [customers] customer who is at least 21 years old, as the state in
- 4055 which the customer is located permits;
- 4056 (c) purchase liquor for fortifying wine, if the department is notified of the purchase and
- 4057 date of delivery; and

4058 (d) warehouse on the licensed premises liquor that is manufactured or purchased for
4059 manufacturing purposes.

4060 (2) (a) A wine, brandy, wine spirit, or other liquor imported under authority of a winery
4061 manufacturing license shall conform to the standards of identity and quality established in the
4062 regulations issued under Federal Alcohol Administration Act, 27 U.S.C. Sec. 201 et seq.

4063 (b) The federal definitions, standards of identity, and quality and labeling requirements
4064 for wine, in regulations issued under Federal Alcohol Administration Act, 27 U.S.C. Sec. 201
4065 et seq., are adopted to the extent the regulations are not contrary to or inconsistent with the
4066 laws of this state.

4067 (3) If considered necessary, the commission or department may require:

4068 (a) the alteration of the plant, equipment, or licensed premises;

4069 (b) the alteration or removal of unsuitable wine-making equipment or material;

4070 (c) a winery manufacturing licensee to clean, disinfect, ventilate, or otherwise improve
4071 the sanitary and working conditions of the plant, licensed premises, and wine-making
4072 equipment;

4073 (d) that a marc, pomace, or fruit be destroyed, denatured, or removed from the licensed
4074 premises because it is considered:

4075 (i) unfit for wine making; or

4076 (ii) as producing or likely to produce an unsanitary condition;

4077 (e) a winery manufacturing licensee to distill or cause to be distilled or disposed of
4078 under the department's supervision:

4079 (i) any unsound, poor quality finished wine; or

4080 (ii) unfinished wine that will not be satisfactory when finished; or

4081 (f) that a record pertaining to the grapes and other materials and ingredients used in the
4082 manufacture of wine be available to the commission or department upon request.

4083 (4) A winery manufacturing licensee may not permit wine to be consumed on ~~[its] the~~
4084 winery manufacturing licensee's premises, except ~~[under the following circumstances]~~ that:

4085 (a) ~~[A]~~ a winery manufacturing licensee may allow ~~[its] the winery manufacturing~~
4086 licensee's on-duty staff to taste on the licensed premises the alcoholic product that the winery
4087 manufacturing licensee manufactures on ~~[its] the winery manufacturing licensee's~~ premises
4088 without charge, but only in connection with the on-duty staff's duties of manufacturing the

4089 alcoholic product during the manufacturing process and not otherwise[-];

4090 (b) [~~A~~] a winery manufacturing licensee may allow a person who can lawfully purchase
4091 wine for wholesale or retail distribution to consume a bona fide sample of the winery
4092 manufacturing licensee's product on the licensed premises[-]; and

4093 (c) [~~A~~] a winery manufacturing licensee may conduct [~~tastings~~] a tasting as provided in
4094 Section 32B-11-210.

4095 Section 57. Section **32B-11-403** is amended to read:

4096 **32B-11-403. Specific authority and operational requirements for distillery**
4097 **manufacturing license.**

4098 (1) A distillery manufacturing license allows a distillery manufacturing licensee to:

4099 (a) store, manufacture, transport, import, or export liquor;

4100 (b) sell liquor to:

4101 (i) the department;

4102 (ii) an out-of-state customer who is at least 21 years old, as the state in which the
4103 customer is located permits; and

4104 (iii) as provided in Subsection (2);

4105 (c) purchase an alcoholic product for mixing and manufacturing purposes if the
4106 department is notified of:

4107 (i) the purchase; and

4108 (ii) the date of delivery;

4109 (d) warehouse on the distillery manufacturing licensee's licensed premises an alcoholic
4110 product that the distillery manufacturing licensee manufactures or purchases for manufacturing
4111 purposes;

4112 (e) if the distillery manufacturing licensee holds two or more distillery manufacturing
4113 licenses under this chapter, transport an alcoholic product from one of the distillery
4114 manufacturing licensee's licensed premises to another, if the transportation occurs for the
4115 purpose of:

4116 (i) continuing or completing the manufacturing process; or

4117 (ii) storing a bulk container or an alcoholic product that is distilled and packaged in the
4118 state, including the transport of an alcoholic product to a package agency located at any of the
4119 distillery manufacturing licensee's licensed premises; and

4120 (f) receive samples of an alcoholic product from a person outside the state for the sole
4121 purpose of performing tests and analysis, if the distillery manufacturing licensee:

4122 (i) performs the tests and analysis in accordance with 27 C.F.R. Secs. 19.434(a), (c),
4123 (d), (e), and (f), Secs. 19.435 through 19.437, and Sec. 19.616;

4124 (ii) keeps records of the samples received, including:

4125 (A) all data required under 27 C.F.R. Sec. 19.616;

4126 (B) a description of the sample; and

4127 (C) the date the distillery manufacturing licensee receives the sample; and

4128 (iii) upon request, provides the records described in Subsection (1)(f)(ii) to the
4129 department.

4130 (2) (a) Subject to the other provisions of this Subsection (2), a distillery manufacturing
4131 licensee may directly sell an alcoholic product to a person engaged within the state in:

4132 (i) a mechanical or industrial business that requires the use of an alcoholic product; or

4133 (ii) scientific pursuits that require the use of an alcoholic product.

4134 (b) A person who purchases an alcoholic product under Subsection (2)(a) shall hold a
4135 valid special use permit issued in accordance with Chapter 10, Special Use Permit Act,
4136 authorizing the use of the alcoholic product.

4137 (c) A distillery manufacturing licensee may sell to a special use permittee described in
4138 Subsection (2)(b) an alcoholic product only in the type for which the special use permit
4139 provides.

4140 (d) The sale of an alcoholic product under this Subsection (2) is subject to rules
4141 prescribed by the department and the federal government.

4142 (3) The federal definitions, standards of identity and quality, and labeling requirements
4143 for distilled liquor, in the regulations issued under Federal Alcohol Administration Act, 27
4144 U.S.C. Sec. 201 et seq., are adopted to the extent the regulations are not contrary to or
4145 inconsistent with laws of this state.

4146 (4) If considered necessary, the commission or department may require:

4147 (a) the alteration of the plant, equipment, or licensed premises;

4148 (b) the alteration or removal of unsuitable alcoholic product-making equipment or
4149 material;

4150 (c) a distillery manufacturing licensee to clean, disinfect, ventilate, or otherwise

4151 improve the sanitary and working conditions of the plant, licensed premises, and equipment; or

4152 (d) that a record pertaining to the materials and ingredients used in the manufacture of
4153 an alcoholic product be made available to the commission or department upon request.

4154 (5) A distillery manufacturing licensee may not permit an alcoholic product to be
4155 consumed on the distillery manufacturing licensee's premises, except that:

4156 (a) a distillery manufacturing licensee may allow the distillery manufacturing licensee's
4157 on-duty staff to taste on the licensed premises an alcoholic product that the distillery
4158 manufacturing licensee manufactures on the distillery manufacturing licensee's licensed
4159 premises without charge, but only in connection with the on-duty staff's duties of
4160 manufacturing the alcoholic product during the manufacturing process and not otherwise;

4161 (b) a distillery manufacturing licensee may allow a person who can lawfully purchase
4162 an alcoholic product for wholesale or retail distribution to consume a bona fide sample of the
4163 distillery manufacturing licensee's product on the licensed premises; and

4164 (c) a distillery manufacturing licensee may conduct [~~tastings~~] a tasting as provided in
4165 Section [32B-11-210](#).

4166 Section 58. Section **32B-11-503** is amended to read:

4167 **32B-11-503. Specific authority and operational requirements for brewery**
4168 **manufacturing license.**

4169 (1) A brewery manufacturing license allows a brewery manufacturing licensee to:

4170 (a) store, manufacture, brew, transport, or export beer, heavy beer, and flavored malt
4171 beverages;

4172 (b) sell heavy beer and a flavored malt beverage to:

4173 (i) the department;

4174 (ii) a military installation; or

4175 (iii) an out-of-state customer who is at least 21 years old, as the state in which the
4176 customer is located permits;

4177 (c) sell beer to a beer wholesaler licensee;

4178 (d) in the case of a small brewer, in accordance with Subsection (5), sell beer
4179 manufactured by the small brewer to:

4180 (i) a retail licensee;

4181 (ii) an off-premise beer retailer; or

4182 (iii) an event permittee;

4183 (e) warehouse on [its] the brewery manufacturing licensee's premises an alcoholic
4184 product that the brewery manufacturing licensee manufactures or purchases for manufacturing
4185 purposes; and

4186 (f) if the brewery manufacturing licensee holds two or more brewery manufacturing
4187 licenses, transport beer, heavy beer, or flavored malt beverage from one of the brewery
4188 manufacturing licensee's licensed premises to another, if the transportation occurs for the
4189 purpose of:

4190 (i) continuing or completing the manufacturing process; or

4191 (ii) transferring the beer, heavy beer, or flavored malt beverage for storage at a licensed
4192 premises of the brewery manufacturing licensee that is at a package agency.

4193 (2) A brewery manufacturing licensee may not sell the following to a person within the
4194 state except the department or a military installation:

4195 (a) heavy beer; or

4196 (b) a flavored malt beverage.

4197 (3) If considered necessary, the commission or department may require:

4198 (a) the alteration of the plant, equipment, or licensed premises;

4199 (b) the alteration or removal of any unsuitable alcoholic product-making equipment or
4200 material;

4201 (c) a brewery manufacturing licensee to clean, disinfect, ventilate, or otherwise
4202 improve the sanitary and working conditions of the plant, licensed premises, and equipment; or

4203 (d) that a record pertaining to the materials and ingredients used in the manufacture of
4204 an alcoholic product be available to the commission or department upon request.

4205 (4) A brewery manufacturing licensee may not permit any beer, heavy beer, or flavored
4206 malt beverage to be consumed on the licensed premises, except [~~under the circumstances~~
4207 ~~described in this Subsection (4).~~] that:

4208 (a) [~~A~~] a brewery manufacturing licensee may allow [its] the brewery manufacturing
4209 licensee's on-duty staff to taste the alcoholic product that the brewery manufacturing licensee
4210 manufactures on [its] the brewery manufacturing licensee's premises without charge, but only
4211 in connection with the on-duty staff's duties of manufacturing the alcoholic product during the
4212 manufacturing process and not otherwise[-];

4213 (b) [A] a brewery manufacturing licensee may allow a person who can lawfully
4214 purchase the following for wholesale or retail distribution to consume a bona fide sample of the
4215 brewery manufacturing licensee's product on the licensed premises:

- 4216 (i) beer;
- 4217 (ii) heavy beer; or
- 4218 (iii) a flavored malt beverage[-];

4219 (c) [A] a brewery manufacturing licensee may operate a retail facility that complies
4220 with the requirements of Chapter 7, Part 2, Off-Premise Beer Retailer Local Authority[-]; and

4221 (d) [A] a brewery manufacturing licensee may conduct [~~tastings~~] a tasting as provided
4222 in Section 32B-11-210.

4223 (5) (a) A small brewer shall own, lease, or maintain and control a warehouse facility
4224 located in this state for the storage of beer to be sold to a person described in Subsection (1)(d)
4225 if the small brewer:

- 4226 (i) (A) (I) is located in this state; and
- 4227 (II) holds a brewery manufacturing license; or
- 4228 (B) (I) is located outside this state; and
- 4229 (II) holds a certificate of approval to sell beer in this state; and

4230 (ii) sells beer manufactured by the small brewer directly to a person described in
4231 Subsection (1)(d).

4232 (b) A small brewer may not sell beer to a person described in Subsection (1)(d) unless
4233 the beer:

- 4234 (i) is manufactured by the small brewer; and
- 4235 (ii) is first placed in the small brewer's warehouse facility in this state.

4236 (c) (i) A small brewer warehouse shall make and maintain complete beer importation,
4237 inventory, tax, distribution, sales records, and other records as the department and State Tax
4238 Commission may require.

4239 (ii) The records described in Subsection (5)(c)(i) are subject to inspection by:

- 4240 (A) the department; and
- 4241 (B) the State Tax Commission.

4242 (iii) Section 32B-1-205 applies to a record required to be made or maintained in
4243 accordance with this Subsection (5), except that the provision is considered to include an action

4244 described in Section [32B-1-205](#) made for the purpose of deceiving the State Tax Commission,
4245 or an official or employee of the State Tax Commission.

4246 [~~(6) Subject to Subsection (7):~~]

4247 (6) (a) [A] Subject to Subsection (7), a brewery manufacturing licensee may not sell
4248 beer in this state except under a written agreement with a beer wholesaler licensee in this state.

4249 (b) An agreement described in Subsection (6)(a) shall:

4250 (i) create a restricted exclusive sales territory that is mutually agreed upon by the
4251 persons entering into the agreement;

4252 (ii) designate the one or more brands that may be distributed in the sales territory; and

4253 (iii) set forth the exact geographical area of the sales territory.

4254 (c) A brewery manufacturing licensee may have more than one agreement described in
4255 [~~this~~] Subsection (6)(a) if each brand of the brewery manufacturing licensee is covered by one
4256 exclusive sales territory.

4257 (d) A brewery manufacturing licensee may not enter into an agreement described in
4258 Subsection (6)(a) with more than one beer wholesaler licensee to distribute the same brand of
4259 beer in the same sales territory or any portion of the sales territory.

4260 (7) A small brewer is not subject to the requirements of Subsection (6).

4261 Section 59. Section **32B-11-504** is amended to read:

4262 **32B-11-504. Department's authority regarding small-brewer status.**

4263 (1) A brewer seeking to obtain small-brewer status shall provide to the department any
4264 documentation or information the department determines necessary to determine if the brewer
4265 is part of a controlled group of [~~breweries~~] manufacturers.

4266 (2) The department may revoke a brewer's small-brewer status at any time, if the
4267 department determines the brewer does not qualify as a small brewer.

4268 Section 60. Section **32B-12-301** is amended to read:

4269 **32B-12-301. General operational requirements for liquor warehousing license.**

4270 (1) (a) A liquor warehouser licensee and staff of the liquor warehouser licensee shall
4271 comply with this title and the rules of the commission.

4272 (b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action
4273 in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

4274 (i) a liquor warehouser licensee;

- 4275 (ii) individual staff of a liquor warehouser licensee; or
4276 (iii) both a liquor warehouser licensee and staff of the liquor warehouser licensee.
- 4277 (2) (a) A liquor warehouser licensee shall make and maintain records required by the
4278 department.
- 4279 (b) Section 32B-1-205 applies to a record required to be made or maintained in
4280 accordance with this Subsection (2).
- 4281 (3) A liquor warehousing license may not be transferred from one location to another
4282 location, without prior written approval of the commission.
- 4283 (4) (a) A liquor warehouser licensee may not sell, transfer, assign, exchange, barter,
4284 give, or attempt in any way to dispose of the license to another person, whether for monetary
4285 gain or not.
- 4286 (b) A liquor warehousing license has no monetary value for any type of disposition.
- 4287 (5) A liquor warehouser licensee may not employ a minor to handle an alcoholic
4288 product.
- 4289 (6) Liquor that is warehoused in this state and sold to an out-of-state consignee may be
4290 transported out of the state only by a motor carrier regulated under Title 72, Chapter 9, Motor
4291 Carrier Safety Act.
- 4292 (7) Liquor that is warehoused in this state and sold to the department may be
4293 transported only by a motor carrier approved by the department.
- 4294 (8) Liquor transported to or from a liquor warehouser licensee's licensed premises shall
4295 be carried in a sealed conveyance that is made available for inspection by the department while
4296 en route within the state.
- 4297 (9) A liquor warehouser licensee may not ship, convey, distribute, or remove liquor
4298 from a warehouse in less than a full case lot.
- 4299 (10) A liquor warehouser licensee may ~~[not]~~ ship, convey, distribute, or remove liquor
4300 from a warehouse to a consignee outside the state ~~[that is not]~~, if the consignee is:
4301 (a) licensed as a liquor wholesaler or retailer by the state in which the consignee is
4302 domiciled[-]; or
4303 (b) a customer who is at least 21 years old, as the state in which the customer is located
4304 permits.
- 4305 (11) A liquor warehouser licensee may not receive, warehouse, distribute, transport,

4306 ship, or convey liquor that the commission has not authorized the liquor warehouser licensee to
4307 handle through its warehouse.

4308 (12) The commission may prescribe by policy or rule, consistent with this title, the
4309 general operational requirements of licensees relating to:

- 4310 (a) physical facilities;
- 4311 (b) conditions of storage, distribution, or transport of liquor; and
- 4312 (c) other matters considered appropriate by the commission.

4313 Section 61. Section **32B-18-101**, which is renumbered from Section 32B-8a-102 is
4314 renumbered and amended to read:

4315 **CHAPTER 18. CHANGE OF ALCOHOL LICENSE OR LOCATION ACT**

4316 **Part 1. General Provisions**

4317 ~~[32B-8a-102].~~ **32B-18-101. Definitions.**

4318 As used in this chapter:

4319 (1) (a) "Alcohol license" means:

- 4320 (i) a retail license;
- 4321 (ii) an off-premise beer retailer state license;
- 4322 (iii) a brewery manufacturing license;
- 4323 (iv) a distillery manufacturing license;
- 4324 (v) a winery manufacturing license; [~~and~~]
- 4325 (vi) a liquor warehousing license; and

4326 [~~(vi)~~] (vii) a special use permit that is an industrial or manufacturing use permit.

4327 (b) "Alcohol license" does not include a:

- 4328 (i) master full-service restaurant license;
- 4329 (ii) master limited-service restaurant license; or
- 4330 (iii) master off-premise beer retailer state license.

4331 (2) "Business entity" means a corporation, partnership, limited liability company, sole
4332 proprietorship, or similar entity.

4333 [~~(3)~~] "~~Transfer fee~~" means a fee described in Section ~~32B-8a-303.~~]

4334 [~~(4)~~] "~~Transferee or buyer~~" means a person who intends to hold an alcohol license after
4335 the transfer of the alcohol license if the transfer is approved by the commission under this
4336 chapter.]

4337 ~~[(5) "Transferor or seller" means an alcohol licensee who intends to transfer an alcohol~~
 4338 ~~license held by the alcohol licensee if the commission approves the transfer under this chapter.]~~

4339 (3) "Interim alcoholic beverage management agreement" means a management
 4340 agreement:

4341 (a) in connection with:

4342 (i) a change of ownership in the entity holding an alcohol license; or

4343 (ii) a transfer of the management of an alcohol license to another entity; and

4344 (b) under which the new owner or new management agrees to perform the operations
 4345 of the alcohol licensee during the period that:

4346 (i) begins when:

4347 (A) the change of ownership closes; or

4348 (B) the new management agreement is executed; and

4349 (ii) ends on the day after the day on which the commission approves the alcohol license
 4350 for the new owner.

4351 (4) "Inventory transfer agreement" means an agreement under which an alcohol
 4352 licensee agrees to sell or otherwise transfer all or part of the alcohol licensee's inventory of
 4353 alcoholic products.

4354 (5) "Management agreement" means an agreement between two people regarding the
 4355 operation and management of an alcohol license.

4356 Section 62. Section **32B-18-201**, which is renumbered from Section 32B-8a-201 is
 4357 renumbered and amended to read:

4358 **Part 2. Alcohol License Changes of Ownership**

4359 ~~[32B-8a-201].~~ **32B-18-201. Transferability of an alcohol license.**

4360 (1) ~~[(a)]~~ An alcohol license ~~[is]~~:

4361 (a) is not ascribed any value in the sale or transfer of a business entity or the business
 4362 entity's assets;

4363 (b) is neither tangible nor intangible property to the holder of the license; and

4364 (c) is completely separate from other property of an alcohol licensee.

4365 ~~[(b)]~~ (2) [Notwithstanding Subsection (1)(a), the] The Legislature may terminate or
 4366 modify the existence of any type of alcohol license.

4367 ~~[(c)]~~ (3) Except as provided in this [chapter] part, a person may not[: (i) transfer an

4368 alcohol license from one location to another location; or (ii)] sell, transfer, assign, exchange,
4369 barter, give, or attempt in any way to dispose of the alcohol license to another person whether
4370 for monetary gain or not.

4371 ~~[(d) If approved by the commission and subject to the requirements of this chapter, an~~
4372 ~~alcohol licensee may transfer the alcohol license:]~~

4373 ~~[(i) from the alcohol licensee to another person, regardless of whether the alcohol~~
4374 ~~license is for the same premises; and]~~

4375 ~~[(ii) from one premises of the alcohol licensee to another premises of the alcohol~~
4376 ~~licensee:]~~

4377 ~~[(2) (a) The commission may not approve the transfer of an alcohol license that results~~
4378 ~~in a transferee or buyer holding a different type of alcohol license than is held by the transferor~~
4379 ~~or seller.]~~

4380 ~~[(b) Unless the alcohol license is a bar establishment license, the commission may not~~
4381 ~~approve the transfer of an alcohol license from one location to another location, if the location~~
4382 ~~of the premises to which the alcohol license would be transferred is in a different county than~~
4383 ~~the location of the licensed premises of the alcohol license being transferred.]~~

4384 ~~[(3) The commission may not approve the transfer of an alcohol license if the~~
4385 ~~transferee or buyer is not eligible to hold the same type of alcohol license as the alcohol license~~
4386 ~~to be transferred at the premises to which the alcohol license would be transferred:]~~

4387 ~~[(4) The commission may not approve the transfer of an alcohol license unless the~~
4388 ~~transferee or buyer attests, subject to the penalty for making a false material statement under~~
4389 ~~Section [32B-4-504](#), that the transferee or buyer is in compliance with:]~~

4390 ~~[(a) federal tax laws;]~~

4391 ~~[(b) Title 35A, Chapter 4, Employment Security Act; and]~~

4392 ~~[(c) Title 59, Revenue and Taxation.]~~

4393 ~~[(5) The commission may not approve the transfer of an alcohol license unless the~~
4394 ~~transferor or seller attests, subject to the penalty for making a false material statement under~~
4395 ~~Section [32B-4-504](#), that the transferor or seller is not delinquent on any lease obligation related~~
4396 ~~to the licensed premises for the alcohol license the transferor or seller is transferring.]~~

4397 Section 63. Section **32B-18-202**, which is renumbered from Section 32B-8a-202 is
4398 renumbered and amended to read:

4399 ~~[32B-8a-202]~~. **32B-18-202. Effect of change of ownership of business entity.**

4400 (1) (a) When the ownership of 51% or more of the shares of stock of a corporation is
4401 ~~[acquired by or transferred to]~~ restructured to include one or more persons who did not hold the
4402 ownership of 51% of those shares of stock on the ~~[date]~~ day on which an alcohol license is
4403 issued to the corporation, the corporation shall comply with this chapter to ~~[transfer the alcohol~~
4404 ~~license to the corporation as if the corporation is newly constituted]~~ reflect the restructuring.

4405 (b) When there is a new general partner or when the ownership of 51% or more of the
4406 capital or profits of a limited partnership is ~~[acquired by or transferred to]~~ restructured to
4407 include one or more persons as general or limited partners and who did not hold ownership of
4408 51% or more of the capital or profits of the limited partnership on the ~~[date]~~ day on which an
4409 alcohol license is issued to the limited partnership, the limited partnership shall comply with
4410 this chapter to ~~[transfer the alcohol license to the limited partnership as if the limited~~
4411 ~~partnership is newly constituted]~~ reflect the restructuring.

4412 (c) When the ownership of 51% or more of the interests in a limited liability company
4413 is ~~[acquired by or transferred to]~~ restructured to include one or more persons as members who
4414 did not hold ownership of 51% or more of the interests in the limited liability company on the
4415 ~~[date]~~ day on which an alcohol license is issued to the limited liability company, the limited
4416 liability company shall comply with this chapter to ~~[transfer the alcohol license to the limited~~
4417 ~~liability company as if the limited liability company is newly constituted]~~ reflect the
4418 restructuring.

4419 (2) A business entity shall comply with this section within 60 days after the day on
4420 which a ~~[sale or transfer described in Subsection (1) occurs]~~ restructuring of the business entity
4421 becomes effective.

4422 Section 64. Section **32B-18-203** is enacted to read:

4423 **32B-18-203. Application -- Approval process.**

4424 (1) (a) A person seeking an alcohol license in accordance with this part that is currently
4425 held by another person shall submit to the department:

4426 (i) a written application for a new license in a form prescribed by the department; and

4427 (ii) a fee in accordance with Section [32B-18-207](#).

4428 (b) If the person seeking an alcohol license as described in Subsection (1) seeks to take
4429 over the daily operations of the alcohol license before the commission grants the transfer, the

4430 person and the alcohol licensee shall enter into an interim alcoholic beverage management
 4431 agreement that the department approves.

4432 (c) If the person seeking an alcohol license as described in Subsection (1) seeks to buy
 4433 the inventory from the existing licensee, the person and the alcohol licensee shall enter into an
 4434 inventory transfer agreement that the department approves.

4435 (2) An alcohol licensee seeking to restructure the alcohol licensee's internal ownership
 4436 of 51% or more shall submit to the department:

4437 (a) a written application in a form prescribed by the department; and

4438 (b) a fee in accordance with Section [32B-18-207](#).

4439 (3) A person or business entity shall comply with this section within 60 days after the
 4440 day on which the sale of the business's assets closes or the restructuring of the business entity
 4441 becomes effective.

4442 Section 65. Section **32B-18-204**, which is renumbered from Section 32B-5-310 is
 4443 renumbered and amended to read:

4444 ~~[32B-5-310].~~ **32B-18-204. Notifying department of change in ownership.**

4445 ~~[(1)]~~ The commission may suspend or revoke ~~[a retail]~~ an alcohol license if the ~~[retail]~~
 4446 alcohol licensee does not notify the department, within 60 days after the day on which the
 4447 change occurs, of a change in:

4448 ~~[(a)]~~ (1) ownership of the [retail] business entity holding the alcohol license;

4449 ~~[(b)]~~ the entity that manages the retail licensee or a premises licensed under this
 4450 chapter;

4451 ~~[(c)]~~ (2) for a corporate owner, the:

4452 ~~[(i)]~~ (a) corporate officers or directors of the [retail] alcohol licensee; or

4453 ~~[(ii)]~~ (b) shareholders holding at least 20% of the total issued and outstanding stock of
 4454 the corporation; or

4455 ~~[(d)]~~ (3) for a limited liability company:

4456 ~~[(i)]~~ (a) managers of the limited liability company; or

4457 ~~[(ii)]~~ (b) members owning at least 20% of the limited liability company.

4458 ~~[(2)]~~ Notwithstanding any other provision of this title, in connection with an event
 4459 described in Section [32B-8a-202](#) or an asset sale of a retail licensee, the parties to the
 4460 transaction may enter into an inventory transfer agreement.]

4461 ~~[(3) A retail licensee may enter into an interim alcoholic beverage management~~
4462 ~~agreement that provides:]~~

4463 ~~[(a) all proceeds, less cost of goods sold, from the sale of alcohol shall accrue to the~~
4464 ~~current retail licensee; and]~~

4465 ~~[(b) for the duration of the agreement, the current retail licensee:]~~

4466 ~~[(i) shall comply with the requirements of this title that are applicable to the retail~~
4467 ~~license; and]~~

4468 ~~[(ii) in accordance with this title, is subject to disciplinary action by the commission for~~
4469 ~~any violation of this title:]~~

4470 ~~[(4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~
4471 ~~the department may make rules governing the requirements of:]~~

4472 ~~[(a) an inventory transfer agreement; and]~~

4473 ~~[(b) an interim alcoholic beverage management agreement.]~~

4474 Section 66. Section **32B-18-205** is enacted to read:

4475 **32B-18-205. Management agreements -- Inventory transfers -- Interim alcoholic**
4476 **beverage management agreement.**

4477 (1) (a) A management agreement may provide for the sharing of revenue from a
4478 business utilizing an alcohol license if, regardless of which party holds the alcohol license, all
4479 parties to the management agreement qualify under Section [32B-1-304](#) to hold the license.

4480 (b) The parties to a management agreement shall submit to the department:

4481 (i) a copy of the management agreement; and

4482 (ii) any other information the department requires.

4483 (c) If there is a material change to the management agreement submitted to the
4484 department under Subsection (1)(b), the parties to the management agreement shall submit to
4485 the department the following within 30 days after the day on which the change occurs:

4486 (i) a copy of the changed management agreement; and

4487 (ii) any other information the department requires.

4488 (2) Notwithstanding any other provision of this title, in connection with a change of
4489 ownership described in Section [32B-18-202](#) or an asset sale of an alcohol licensee, the parties
4490 to the transaction may enter into an inventory transfer agreement.

4491 (3) An alcohol licensee may enter into an interim alcoholic beverage management

4492 agreement that provides:

4493 (a) all proceeds, less cost of goods sold, from the sale of alcohol accrue to the current
4494 alcohol licensee; and

4495 (b) for the duration of the agreement, the current alcohol licensee:

4496 (i) shall comply with the requirements of this title that are applicable to the alcohol
4497 license; and

4498 (ii) in accordance with this title, is subject to disciplinary action by the commission for
4499 a violation of this title.

4500 (4) In accordance with this section and Title 63G, Chapter 3, Utah Administrative
4501 Rulemaking Act, the department may make rules governing the requirements of:

4502 (a) a management agreement;

4503 (b) an inventory transfer agreement; or

4504 (c) an interim alcoholic beverage management agreement.

4505 Section 67. Section **32B-18-206**, which is renumbered from Section 32B-8a-203 is
4506 renumbered and amended to read:

4507 ~~[32B-8a-203].~~ **32B-18-206. Operational requirements for change of**
4508 **ownership or location.**

4509 (1) (a) ~~[A transferee or buyer shall begin operations of the alcohol license]~~ Except as
4510 provided in Subsections (1)(b) and (c), operations of an alcohol licensee shall begin within 30
4511 days after the day on which [a transfer is approved by] the commission[~~-, except that:~~] approves
4512 a change of ownership for the alcohol license.

4513 ~~[(i) the]~~ (b) The department may grant an extension of [this] the time period described
4514 in Subsection (1)(a) for a period not to exceed the greater of:

4515 (i) 30 days; ~~and~~ or

4516 (ii) the number of days until the day on which the commission holds the commission's
4517 next regularly scheduled commission meeting.

4518 ~~[(ii) (c) [after the extension is authorized by] After the department [under] authorizes~~
4519 an extension described in Subsection [(1)(a)(i)] (1)(b), the commission may grant one or more
4520 additional extensions [not to exceed, in the aggregate, seven months from the day on which the
4521 commission approves the transfer, if the transferee or buyer can demonstrate] if:

4522 (i) the alcohol licensee demonstrates to the commission that the [transferee or buyer:

4523 ~~(A)~~ alcohol licensee cannot begin operations because the ~~[transferee or buyer]~~ alcohol
 4524 licensee:

4525 (A) is improving the licensed premises;

4526 (B) has obtained a building permit for the improvements described in Subsection
 4527 ~~[(1)(a)(ii)(A)]~~ (1)(c)(i)(A), if the respective local ~~[government entity]~~ authority requires a
 4528 building permit for the improvements; and

4529 (C) is working expeditiously to complete the improvements to the licensed premises[-];

4530 or

4531 (ii) the commission determines that circumstances beyond the control of the alcohol
 4532 licensee negate the licensee's ability to begin operations in a timely manner.

4533 ~~[(b)]~~ (2) ~~[A transferee or buyer]~~ An alcohol licensee is considered to have begun
 4534 operations of the alcohol license if the ~~[transferee or buyer]~~ alcohol licensee:

4535 ~~[(i)]~~ (a) has a licensed premises that is open for business;

4536 ~~[(ii)(A)]~~ (b) (i) sells, offers for sale, or furnishes an alcoholic ~~[products]~~ product to a
 4537 patron on the licensed premises described in Subsection ~~[(1)(b)(i)]~~ (2)(a);

4538 ~~[(B)]~~ (ii) manufactures an alcoholic product on the licensed premises described in
 4539 Subsection ~~[(1)(b)(i)]~~ (2)(a); ~~[or]~~

4540 ~~[(C)]~~ (iii) engages in an industrial or manufacturing pursuit containing alcohol on the
 4541 licensed premises described in Subsection ~~[(1)(b)(i)]~~ (2)(a); ~~[and]~~ or

4542 (iv) warehouses liquor on the licensed premises described in Subsection (2)(a); and

4543 ~~[(iii)]~~ (c) has a valid business license.

4544 ~~[(2)]~~ (3) If ~~[a transferee or buyer]~~ an alcohol licensee fails to begin operations of the
 4545 alcohol license within the time period required by Subsection (1), the following are
 4546 automatically forfeited effective immediately:

4547 (a) the alcohol license; and

4548 (b) the ~~[alcohol license]~~ fee described in Section [32B-18-207](#).

4549 ~~[(3) A transferee or buyer]~~ (4) (a) Except as provided in Subsection (4)(b), if the
 4550 commission approves a change of ownership, the new owner of the alcohol license shall begin
 4551 operations of the alcohol license at the location to which the [transfer] alcohol license applies
 4552 before the [transferee or buyer] new owner may [seek a transfer of] move the alcohol license to
 4553 a different location in accordance with Part 3, Alcohol License Change of Location.

4554 (b) Subsection (4)(a) does not apply to a new owner of an alcohol license if the
 4555 commission determines that a bona fide exigent circumstance exists that warrants a change in
 4556 location before operations begin.

4557 ~~[(4)]~~ (5) Notwithstanding Subsection (1), the commission may not issue a conditional
 4558 license unless the requirements of Section 32B-5-205 are met, except that the time periods
 4559 required by this section supersede the time period provided in Section 32B-5-205.

4560 Section 68. Section 32B-18-207, which is renumbered from Section 32B-8a-303 is
 4561 renumbered and amended to read:

4562 ~~[32B-8a-303].~~ **32B-18-207. Change fees.**

4563 (1) ~~[Except as otherwise provided in this section, the]~~ The department shall charge the
 4564 following ~~[transfer]~~ fees for a change of ownership under this part:

4565 (a) for a ~~[transfer]~~ change of ownership of an alcohol license from an alcohol licensee
 4566 to another person, the ~~[transfer]~~ change fee equals the initial license fee amount specified in the
 4567 relevant chapter or part for the type of alcohol license ~~[that is being transferred]~~ for which the
 4568 change of ownership occurs; and

4569 ~~[(b) for the transfer of an alcohol license from one premises to another premises of the~~
 4570 ~~same alcohol licensee, the transfer fee is \$300;]~~

4571 ~~[(c)]~~ (b) ~~[subject to Subsections (1)(d) and (2), for a transfer]~~ for a change of ownership
 4572 described in Section ~~[32B-8a-202]~~ 32B-18-202, the ~~[transfer]~~ change fee equals the renewal fee
 4573 amount specified in the relevant chapter or part for the type of alcohol license ~~[that is being~~
 4574 ~~transferred;]~~ for which the change of ownership occurs.

4575 ~~[(d) for a transfer of an alcohol license to include the parent or adult child of an alcohol~~
 4576 ~~licensee, when no consideration is given for the transfer, the transfer fee is one-half of the~~
 4577 ~~amount described in Subsection (1)(a); and]~~

4578 ~~[(e) for one of the following transfers, the transfer fee is one-half of the amount~~
 4579 ~~described in Subsection (1)(a):]~~

4580 ~~[(i) an alcohol license of one spouse to the other spouse when the transfer application is~~
 4581 ~~made before the entry of a final decree of divorce;]~~

4582 ~~[(ii) an alcohol license of a deceased alcohol licensee to:]~~

4583 ~~[(A) the one or more surviving partners of the deceased alcohol licensee;]~~

4584 ~~[(B) the executor, administrator, or conservator of the estate of the deceased alcohol~~

4585 licensee; or]

4586 [~~(C) the surviving spouse of the deceased alcohol licensee, if the deceased alcohol~~

4587 ~~licensee leaves no estate to be administered;]~~

4588 [~~(iii) an alcohol license of an incompetent person or conservatee by or to the~~

4589 ~~conservator or guardian for the incompetent person or conservatee who is the alcohol licensee;]~~

4590 [~~(iv) an alcohol license of a debtor in a bankruptcy case by or to the trustee of a~~

4591 ~~bankrupt estate of the alcohol licensee;]~~

4592 [~~(v) an alcohol license of a person for whose estate a receiver is appointed may be~~

4593 ~~transferred by or to a receiver of the estate of the alcohol licensee;]~~

4594 [~~(vi) an alcohol license of an assignor for the benefit of creditors by or to an assignee~~

4595 ~~for the benefit of creditors of a licensee with the consent of the assignor;]~~

4596 [~~(vii) an alcohol license transferred to a revocable living trust if the alcohol licensee is~~

4597 ~~the trustee of the revocable living trust;]~~

4598 [~~(viii) an alcohol license transferred between partners when no new partner is being~~

4599 ~~licensed;]~~

4600 [~~(ix) an alcohol license transferred between corporations whose outstanding shares of~~

4601 ~~stock are owned by the same individuals;]~~

4602 [~~(x) upon compliance with Section 32B-8a-202, an alcohol license to a corporation~~

4603 ~~whose entire stock is owned by:]~~

4604 [~~(A) the transferor or seller; or]~~

4605 [~~(B) the spouse of the transferor or seller;]~~

4606 [~~(xi) upon compliance with Section 32B-8a-202, an alcohol license to a limited~~

4607 ~~liability company whose entire membership consists of:]~~

4608 [~~(A) the transferor or seller; or]~~

4609 [~~(B) the spouse of the transferor or seller; or]~~

4610 [~~(xii) an alcohol license transferred from a corporation to a person who owns, or whose~~

4611 ~~spouse owns, the entire stock of the corporation.]~~

4612 [~~(2) If there are multiple and simultaneous transfers of alcohol licenses under Section~~

4613 ~~32B-8a-202, a transfer fee described in Subsection (1)(c) is required for only one of the alcohol~~

4614 ~~licenses being transferred.]~~

4615 [~~(3) (a) Except as provided in Subsection (3)(b), a transfer fee required under~~

4616 Subsection (1) is due for a transfer subsequent to a transfer under Subsection (1)(e)(xii) if the
4617 subsequent transfer is of 51% of the stock in a corporation to which an alcohol license is
4618 transferred by an alcohol licensee or the spouse of an alcohol licensee.]

4619 ~~[(b) If the transfer of stock described in Subsection (3)(a) is from a parent to the~~
4620 ~~parent's adult child or adult grandchild, the transfer fee is one-half of the amount described in~~
4621 ~~Subsection (1)(a);]~~

4622 ~~[(4) Money collected from a transfer fee shall be deposited in the Liquor Control~~
4623 ~~Fund.]~~

4624 (2) The department shall deposit a fee collected under Subsection (1) into the Liquor
4625 Control Fund.

4626 Section 69. Section **32B-18-301** is enacted to read:

4627 **Part 3. Alcohol License Change of Location**

4628 **32B-18-301. Change of location provisions.**

4629 (1) Except as provided in this part, a person may not move an alcohol license from one
4630 location to another.

4631 (2) Before an alcohol licensee moves the alcohol licensee's license from one location to
4632 another, the alcohol licensee shall submit to the department:

4633 (a) an application for a change of location, in the form the department determines; and

4634 (b) a change of location fee.

4635 (3) Before the commission approves a change of location requested in accordance with
4636 this part, the commission shall:

4637 (a) ensure that the new location meets the physical requirements for the type of license
4638 for which the change of location is requested, including any proximity requirement; and

4639 (b) consider the locality within which the proposed licensed premises is located,
4640 including the relevant factors for the type of license for which the change of location is
4641 requested.

4642 Section 70. Section **32B-18-302** is enacted to read:

4643 **32B-18-302. Operational requirements for change of location.**

4644 (1) (a) Except as permitted under Subsections (1)(b) and (c), operations of an alcohol
4645 licensee shall begin within 30 days after the day on which the commission approves a change
4646 of location for the alcohol license.

4647 (b) The department may grant an extension to the 30 days described in Subsection
4648 (1)(a), not to exceed the greater of:
4649 (i) 30 days; or
4650 (ii) the number of days until the next regularly scheduled commission meeting.
4651 (c) After the department authorizes an extension described in Subsection (1)(b), the
4652 commission may grant one or more additional extensions, if:
4653 (i) the alcohol licensee demonstrates to the commission that the alcohol licensee cannot
4654 begin operations because the alcohol licensee:
4655 (A) is improving the licensed premises;
4656 (B) has obtained a building permit for the improvements described in Subsection
4657 (1)(c)(i)(A), if the respective local authority requires a building permit for the improvements;
4658 and
4659 (C) is working expeditiously to complete the improvements to the licensed premises;
4660 or
4661 (ii) the commission determines that circumstances beyond the control of the alcohol
4662 licensee negate the licensee's ability to begin operations in a timely manner.
4663 (2) An alcohol licensee is considered to have begun operations of the alcohol license if
4664 the alcohol licensee:
4665 (a) has a licensed premises that is open for business;
4666 (b) (i) sells, offers for sale, or furnishes an alcoholic product to a patron on the licensed
4667 premises described in Subsection (1)(a);
4668 (ii) manufactures an alcoholic product on the licensed premises described in
4669 Subsection (2)(a);
4670 (iii) engages in an industrial or manufacturing pursuit containing alcohol on the
4671 licensed premises described in Subsection (2)(a); or
4672 (iv) warehouses liquor on the licensed premises described in Subsection (2)(a); and
4673 (c) has a valid business license.
4674 (3) If an alcohol licensee fails to begin operations of the alcohol license within the time
4675 period required under Subsection (1), the following are automatically forfeited effective
4676 immediately:
4677 (a) the alcohol license; and

4678 (b) the change of location fee.

4679 Section 71. Section **32B-18-303** is enacted to read:

4680 **32B-18-303. Change of location fees.**

4681 (1) The department shall charge a \$300 fee for a change in location of an alcohol
4682 licensee's licensed premises.

4683 (2) The department shall deposit a fee collected under Subsection (1) in the Liquor
4684 Control Fund.

4685 Section 72. Section **32B-18-401**, which is renumbered from Section 32B-8a-501 is
4686 renumbered and amended to read:

4687 **Part 4. Prohibited Activities**

4688 ~~[**32B-8a-501**].~~ **32B-18-401. License not to be pledged as security --**
4689 **Prohibited changes, transfers, and moves.**

4690 (1) An alcohol licensee may not enter into any agreement under which the alcohol
4691 licensee pledges the alcohol license as security for a loan or as security for the fulfillment of
4692 any agreement.

4693 ~~[(2) An alcohol licensee may not transfer an alcohol license if the transfer is to:]~~

4694 ~~[(a) satisfy a loan or to fulfill an agreement entered into more than 90 days before the~~
4695 ~~day on which the transfer application is filed;]~~

4696 ~~[(b) gain or establish a preference to or for any creditor of the transferor or seller,~~
4697 ~~except as provided by Section 32B-8a-202; or]~~

4698 ~~[(c) defraud or injure a creditor of the transferor or seller.]~~

4699 ~~[(3) An alcohol licensee may not transfer a bar establishment license in a manner that~~
4700 ~~circumvents the limitations of Subsection 32B-8d-103(3)(b) or (c).]~~

4701 ~~[(4)]~~ (2) An alcohol licensee may not change, transfer, or move an alcohol license
4702 except [in accordance with] as expressly permitted under this chapter.

4703 Section 73. Section **32B-18-402**, which is renumbered from Section 32B-8a-502 is
4704 renumbered and amended to read:

4705 ~~[**32B-8a-502**].~~ **32B-18-402. Effect of change, transfer, or move in violation**
4706 **of this chapter.**

4707 (1) If an alcohol license is changed, transferred, or moved in violation of this chapter,
4708 the commission may:

- 4709 (a) void the change, transfer, or move; and
4710 (b) require the alcohol license to be forfeited.
4711 (2) Subsection (1) is in addition to any other penalty under this title that is applicable to
4712 the person who violates this chapter.

4713 Section 74. Section **34-52-201** is amended to read:

4714 **34-52-201. Public employer requirements.**

4715 (1) A public employer may not exclude an applicant from an initial interview because
4716 of a past criminal conviction.

4717 (2) A public employer excludes an applicant from an initial interview if the public
4718 employer:

4719 (a) requires an applicant to disclose, on an employment application, a criminal
4720 conviction;

4721 (b) requires an applicant to disclose, before an initial interview, a criminal conviction;
4722 or

4723 (c) if no interview is conducted, requires an applicant to disclose, before making a
4724 conditional offer of employment, a criminal conviction.

4725 (3) (a) A public employer may not make any inquiry related to an applicant's expunged
4726 criminal history.

4727 (b) An applicant seeking employment from a public employer may answer a question
4728 related to an expunged criminal record as though the action underlying the expunged criminal
4729 record never occurred.

4730 (4) Subject to Subsections (1) through (3), nothing in this section prevents a public
4731 employer from:

4732 (a) asking an applicant for information about an applicant's criminal conviction history
4733 during an initial interview or after an initial interview; or

4734 (b) considering an applicant's conviction history when making a hiring decision.

4735 (5) Subsections (1) through (3) do not apply:

4736 (a) if federal, state, or local law, including corresponding administrative rules, requires
4737 the consideration of an applicant's criminal conviction history;

4738 (b) to a public employer that is a law enforcement agency;

4739 (c) to a public employer that is part of the criminal or juvenile justice system;

- 4740 (d) to a public employer seeking a nonemployee volunteer;
- 4741 (e) to a public employer that works with children or vulnerable adults;
- 4742 (f) to the Department of Alcoholic Beverage [~~Control~~] Services created in Section
- 4743 [32B-2-203](#);
- 4744 (g) to the State Tax Commission;
- 4745 (h) to a public employer whose primary purpose is performing financial or fiduciary
- 4746 functions; and
- 4747 (i) to a public transit district hiring or promoting an individual for a safety sensitive
- 4748 position described in Section [17B-2a-825](#).

4749 Section 75. Section **53-2a-802** is amended to read:

4750 **53-2a-802. Definitions.**

4751 (1) (a) "Absent" means:

- 4752 (i) not physically present or not able to be communicated with for 48 hours; or
- 4753 (ii) for local government officers, as defined by local ordinances.

4754 (b) "Absent" does not include a person who can be communicated with via telephone,

4755 radio, or telecommunications.

4756 (2) "Department" means the Department of Government Operations, the Department of

4757 Agriculture and Food, the Alcoholic Beverage [~~Control~~] Services Commission, the Department

4758 of Commerce, the Department of Cultural and Community Engagement, the Department of

4759 Corrections, the Department of Environmental Quality, the Department of Financial

4760 Institutions, the Department of Health, the Department of Workforce Services, the Labor

4761 Commission, the National Guard, the Department of Insurance, the Department of Natural

4762 Resources, the Department of Public Safety, the Public Service Commission, the Department

4763 of Human Services, the State Tax Commission, the Department of Transportation, any other

4764 major administrative subdivisions of state government, the State Board of Education, the Utah

4765 Board of Higher Education, the Utah Housing Corporation, the State Retirement Board, and

4766 each institution of higher education within the system of higher education.

4767 (3) "Division" means the Division of Emergency Management established in Title 53,

4768 Chapter 2a, Part 1, Emergency Management Act.

4769 (4) "Emergency interim successor" means a person designated by this part to exercise

4770 the powers and discharge the duties of an office when the person legally exercising the powers

4771 and duties of the office is unavailable.

4772 (5) "Executive director" means the person with ultimate responsibility for managing
4773 and overseeing the operations of each department, however denominated.

4774 (6) (a) "Office" includes all state and local offices, the powers and duties of which are
4775 defined by constitution, statutes, charters, optional plans, ordinances, articles, or by-laws.

4776 (b) "Office" does not include the office of governor or the legislative or judicial offices.

4777 (7) "Place of governance" means the physical location where the powers of an office
4778 are being exercised.

4779 (8) "Political subdivision" includes counties, cities, towns, metro townships, districts,
4780 authorities, and other public corporations and entities whether organized and existing under
4781 charter or general law.

4782 (9) "Political subdivision officer" means a person holding an office in a political
4783 subdivision.

4784 (10) "State officer" means the attorney general, the state treasurer, the state auditor, and
4785 the executive director of each department.

4786 (11) "Unavailable" means:

4787 (a) absent from the place of governance during a disaster that seriously disrupts normal
4788 governmental operations, whether or not that absence or inability would give rise to a vacancy
4789 under existing constitutional or statutory provisions; or

4790 (b) as otherwise defined by local ordinance.

4791 Section 76. Section **53-8-105** is amended to read:

4792 **53-8-105. Duties of Highway Patrol.**

4793 In addition to the duties in this chapter, the Highway Patrol shall:

4794 (1) enforce the state laws and rules governing use of the state highways;

4795 (2) regulate traffic on all highways and roads of the state;

4796 (3) assist the governor in an emergency or at other times at his discretion;

4797 (4) in cooperation with federal, state, and local agencies, enforce and assist in the
4798 enforcement of all state and federal laws related to the operation of a motor carrier on a
4799 highway, including all state and federal rules and regulations;

4800 (5) inspect certain vehicles to determine road worthiness and safe condition as
4801 provided in Section [41-6a-1630](#);

4802 (6) upon request, assist with any condition of unrest existing or developing on a
4803 campus or related facility of an institution of higher education;

4804 (7) assist the Alcoholic Beverage [~~Control~~] Services Commission in an emergency to
4805 enforce the state liquor laws;

4806 (8) provide security and protection for both houses of the Legislature while in session
4807 as the speaker of the House of Representatives and the president of the Senate find necessary;

4808 (9) enforce the state laws and rules governing use of the capitol hill complex as defined
4809 in Section 63C-9-102; and

4810 (10) carry out the following for the Supreme Court and the Court of Appeals:

4811 (a) provide security and protection to those courts when in session in the capital city of
4812 the state;

4813 (b) execute orders issued by the courts; and

4814 (c) carry out duties as directed by the courts.

4815 Section 77. Section 53-10-102 is amended to read:

4816 **53-10-102. Definitions.**

4817 As used in this chapter:

4818 (1) "Administration of criminal justice" means performance of any of the following:
4819 detection, apprehension, detention, pretrial release, posttrial release, prosecution, adjudication,
4820 correctional supervision, or rehabilitation of accused persons or criminal offenders.

4821 (2) "Alcoholic beverage" is as defined in Section 32B-1-102.

4822 (3) "Alcoholic product" is as defined in Section 32B-1-102.

4823 (4) "Commission" means the Alcoholic Beverage [~~Control~~] Services Commission.

4824 (5) "Communications services" means the technology of reception, relay, and
4825 transmission of information required by public safety agencies in the performance of their duty.

4826 (6) "Conviction record" means criminal history information indicating a record of a
4827 criminal charge which has led to a declaration of guilt of an offense.

4828 (7) "Criminal history record information" means information on individuals consisting
4829 of identifiable descriptions and notations of:

4830 (a) arrests, detentions, indictments, informations, or other formal criminal charges, and
4831 any disposition arising from any of them; and

4832 (b) sentencing, correctional supervision, and release.

4833 (8) "Criminal justice agency" means courts or a government agency or subdivision of a
4834 government agency that administers criminal justice under a statute, executive order, or local
4835 ordinance and that allocates greater than 50% of its annual budget to the administration of
4836 criminal justice.

4837 (9) "Criminalist" means the scientific discipline directed to the recognition,
4838 identification, individualization, and evaluation of physical evidence by application of the
4839 natural sciences in law-science matters.

4840 (10) "Department" means the Department of Public Safety.

4841 (11) "Director" means the division director appointed under Section 53-10-103.

4842 (12) "Division" means the Criminal Investigations and Technical Services Division
4843 created in Section 53-10-103.

4844 (13) "Executive order" means an order of the president of the United States or the chief
4845 executive of a state that has the force of law and that is published in a manner permitting
4846 regular public access to it.

4847 (14) "Forensic" means dealing with the application of scientific knowledge relating to
4848 criminal evidence.

4849 (15) "Mental defective" means an individual who, by a district court, as a result of
4850 marked subnormal intelligence, or mental illness, incompetency, condition, or disease, is
4851 found:

4852 (a) to be a danger to himself or herself or others;

4853 (b) to lack the mental capacity to contract or manage the individual's own affairs;

4854 (c) to be incompetent by a court in a criminal case; or

4855 (d) to be incompetent to stand trial or found not guilty by reason or lack of mental
4856 responsibility.

4857 (16) "Missing child" means any person under the age of 18 years who is missing from
4858 the person's home environment or a temporary placement facility for any reason and whose
4859 location cannot be determined by the person responsible for the child's care.

4860 (17) "Missing person" is as defined in Section 26-2-27.

4861 (18) "Pathogens" means disease-causing agents.

4862 (19) "Physical evidence" means something submitted to the bureau to determine the
4863 truth of a matter using scientific methods of analysis.

4864 (20) "Qualifying entity" means a business, organization, or a governmental entity that
4865 employs persons or utilizes volunteers who deal with:

- 4866 (a) national security interests;
- 4867 (b) care, custody, or control of children;
- 4868 (c) fiduciary trust over money;
- 4869 (d) health care to children or vulnerable adults; or
- 4870 (e) the provision of any of the following to a vulnerable adult:
 - 4871 (i) care;
 - 4872 (ii) protection;
 - 4873 (iii) food, shelter, or clothing;
 - 4874 (iv) assistance with the activities of daily living; or
 - 4875 (v) assistance with financial resource management.

4876 Section 78. Section **53-10-305** is amended to read:

4877 **53-10-305. Duties of bureau chief.**

4878 The bureau chief, with the consent of the commissioner, shall do the following:

4879 (1) conduct in conjunction with the state boards of education and higher education in
4880 state schools, colleges, and universities, an educational program concerning alcoholic
4881 beverages and alcoholic products, and work in conjunction with civic organizations, churches,
4882 local units of government, and other organizations in the prevention of alcoholic beverage,
4883 alcoholic product, and drug violations;

4884 (2) coordinate law enforcement programs throughout the state and accumulate and
4885 disseminate information related to the prevention, detection, and control of violations of this
4886 chapter and Title 32B, Alcoholic Beverage Control Act, as it relates to storage or consumption
4887 of an alcoholic beverage or alcoholic product on premises maintained by a bar establishment
4888 licensee, or a person required to obtain a bar establishment license, as defined in Section
4889 [32B-1-102](#);

4890 (3) make inspections and investigations as required by the commission and the
4891 Department of Alcoholic Beverage ~~Control~~ Services;

4892 (4) perform other acts as may be necessary or appropriate concerning control of the use
4893 of an alcoholic beverage or alcoholic product and drugs; and

4894 (5) make reports and recommendations to the Legislature, the governor, the

4895 commissioner, the commission, and the Department of Alcoholic Beverage [~~Control~~] Services
4896 as may be required or requested.

4897 Section 79. Section **53F-9-304** is amended to read:

4898 **53F-9-304. Underage Drinking and Substance Abuse Prevention Program**

4899 **Restricted Account.**

4900 (1) As used in this section, "account" means the Underage Drinking and Substance
4901 Abuse Prevention Program Restricted Account created in this section.

4902 (2) There is created within the Education Fund a restricted account known as the
4903 "Underage Drinking and Substance Abuse Prevention Program Restricted Account."

4904 (3) (a) Before the Department of Alcoholic Beverage [~~Control~~] Services deposits any
4905 portion of the markup collected under Section **32B-2-304** into the Liquor Control Fund in
4906 accordance with Section **32B-2-301**, the Department of Alcoholic Beverage [~~Control~~] Services
4907 shall deposit into the account:

4908 (i) for the fiscal year that begins July 1, 2017, \$1,750,000; or

4909 (ii) for each fiscal year that begins on or after July 1, 2018, an amount equal to the
4910 amount that the Department of Alcoholic Beverage [~~Control~~] Services deposited into the
4911 account during the preceding fiscal year increased or decreased by a percentage equal to the
4912 percentage difference between the Consumer Price Index for the second preceding calendar
4913 year and the Consumer Price Index for the preceding calendar year.

4914 (b) For purposes of this Subsection (3), the Department of Alcoholic Beverage
4915 [~~Control~~] Services shall calculate the Consumer Price Index in accordance with 26 U.S.C.
4916 Secs. 1(f)(4) and 1(f)(5).

4917 (4) The account shall be funded:

4918 (a) in accordance with Subsection (3);

4919 (b) by appropriations made to the account by the Legislature; and

4920 (c) by interest earned on money in the account.

4921 (5) The state board shall use money in the account for the Underage Drinking and
4922 Substance Abuse Prevention Program described in Section **53G-10-406**.

4923 Section 80. Section **53G-10-406** is amended to read:

4924 **53G-10-406. Underage Drinking and Substance Abuse Prevention Program --**

4925 **State board rules.**

4926 (1) As used in this section:

4927 (a) "Advisory council" means the Underage Drinking and Substance Abuse Prevention
4928 Program Advisory Council created in this section.

4929 (b) "Program" means the Underage Drinking and Substance Abuse Prevention Program
4930 created in this section.

4931 (c) "School-based prevention program" means an evidence-based program that:

4932 (i) is aimed at preventing underage consumption of alcohol and underage use of
4933 electronic cigarette products;

4934 (ii) is delivered by methods that engage students in storytelling and visualization;

4935 (iii) addresses the behavioral risk factors associated with underage drinking and use of
4936 electronic cigarette products; and

4937 (iv) provides practical tools to address the dangers of underage drinking and use of
4938 electronic cigarette products.

4939 (2) There is created the Underage Drinking and Substance Abuse Prevention Program
4940 that consists of:

4941 (a) a school-based prevention program for students in grade 4 or 5;

4942 (b) a school-based prevention program for students in grade 7 or 8; and

4943 (c) a school-based prevention program for students in grade 9 or 10 that increases
4944 awareness of the dangers of driving under the influence of alcohol.

4945 (3) (a) Beginning with the 2018-19 school year, an LEA shall offer the program each
4946 school year to each student in grade 7 or 8 and grade 9 or 10.

4947 (b) In addition to Subsection (3)(a), beginning with the 2020-21 school year, an LEA
4948 shall offer the program each school year to each student in grade 4 or 5.

4949 (c) An LEA shall select from the providers qualified by the state board under
4950 Subsection (6) to offer the program.

4951 (4) The state board shall administer the program with input from the advisory council.

4952 (5) There is created the Underage Drinking and Substance Abuse Prevention Program
4953 Advisory Council comprised of the following members:

4954 (a) the executive director of the Department of Alcoholic Beverage [~~Control~~] Services
4955 or the executive director's designee;

4956 (b) the executive director of the Department of Health or the executive director's

4957 designee;

4958 (c) the director of the Division of Substance Abuse and Mental Health or the director's
4959 designee;

4960 (d) the director of the Division of Child and Family Services or the director's designee;

4961 (e) the director of the Division of Juvenile Justice Services or the director's designee;

4962 (f) the state superintendent or the state superintendent's designee; and

4963 (g) two members of the state board, appointed by the chair of the state board.

4964 (6) (a) In accordance with Title 63G, Chapter 6a, Utah Procurement Code, the state
4965 board shall qualify one or more providers to provide the program to an LEA.

4966 (b) In selecting a provider described in Subsection (6)(a), the state board shall consider:

4967 (i) whether the provider's program complies with the requirements described in this
4968 section;

4969 (ii) the extent to which the provider's prevention program aligns with core standards for
4970 Utah public schools; and

4971 (iii) the provider's experience in providing a program that is effective.

4972 (7) (a) The state board shall use money from the Underage Drinking and Substance
4973 Abuse Prevention Program Restricted Account described in Section [53F-9-304](#) for the
4974 program.

4975 (b) The state board may use money from the Underage Drinking Prevention Program
4976 Restricted Account to fund up to .5 of a full-time equivalent position to administer the
4977 program.

4978 (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4979 state board shall make rules that:

4980 (a) beginning with the 2018-19 school year, require an LEA to offer the Underage
4981 Drinking and Substance Abuse Prevention Program each school year to each student in grade 7
4982 or 8 and grade 9 or 10;

4983 (b) beginning with the 2020-21 school year, require an LEA to offer the Underage
4984 Drinking and Substance Abuse Prevention Program each school year to each student in grade 4
4985 or 5; and

4986 (c) establish criteria for the state board to use in selecting a provider described in
4987 Subsection (6).

4988 Section 81. Section **59-1-403** is amended to read:
4989 **59-1-403. Confidentiality -- Exceptions -- Penalty -- Application to property tax.**
4990 (1) As used in this section:
4991 (a) "Distributed tax, fee, or charge" means a tax, fee, or charge:
4992 (i) the commission administers under:
4993 (A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax Act;
4994 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
4995 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;
4996 (D) Section [19-6-805](#);
4997 (E) Section [63H-1-205](#); or
4998 (F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges;
4999 and
5000 (ii) with respect to which the commission distributes the revenue collected from the
5001 tax, fee, or charge to a qualifying jurisdiction.
5002 (b) "Qualifying jurisdiction" means:
5003 (i) a county, city, town, or metro township; or
5004 (ii) the military installation development authority created in Section [63H-1-201](#).
5005 (2) (a) Any of the following may not divulge or make known in any manner any
5006 information gained by that person from any return filed with the commission:
5007 (i) a tax commissioner;
5008 (ii) an agent, clerk, or other officer or employee of the commission; or
5009 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or
5010 town.
5011 (b) An official charged with the custody of a return filed with the commission is not
5012 required to produce the return or evidence of anything contained in the return in any action or
5013 proceeding in any court, except:
5014 (i) in accordance with judicial order;
5015 (ii) on behalf of the commission in any action or proceeding under:
5016 (A) this title; or
5017 (B) other law under which persons are required to file returns with the commission;
5018 (iii) on behalf of the commission in any action or proceeding to which the commission

5019 is a party; or

5020 (iv) on behalf of any party to any action or proceeding under this title if the report or
5021 facts shown by the return are directly involved in the action or proceeding.

5022 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may
5023 admit in evidence, any portion of a return or of the facts shown by the return, as are specifically
5024 pertinent to the action or proceeding.

5025 (3) This section does not prohibit:

5026 (a) a person or that person's duly authorized representative from receiving a copy of
5027 any return or report filed in connection with that person's own tax;

5028 (b) the publication of statistics as long as the statistics are classified to prevent the
5029 identification of particular reports or returns; and

5030 (c) the inspection by the attorney general or other legal representative of the state of the
5031 report or return of any taxpayer:

5032 (i) who brings action to set aside or review a tax based on the report or return;

5033 (ii) against whom an action or proceeding is contemplated or has been instituted under
5034 this title; or

5035 (iii) against whom the state has an unsatisfied money judgment.

5036 (4) (a) Notwithstanding Subsection (2) and for purposes of administration, the
5037 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative
5038 Rulemaking Act, provide for a reciprocal exchange of information with:

5039 (i) the United States Internal Revenue Service; or

5040 (ii) the revenue service of any other state.

5041 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and
5042 corporate franchise tax, the commission may by rule, made in accordance with Title 63G,
5043 Chapter 3, Utah Administrative Rulemaking Act, share information gathered from returns and
5044 other written statements with the federal government, any other state, any of the political
5045 subdivisions of another state, or any political subdivision of this state, except as limited by
5046 Sections [59-12-209](#) and [59-12-210](#), if the political subdivision, other state, or the federal
5047 government grant substantially similar privileges to this state.

5048 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and
5049 corporate franchise tax, the commission may by rule, in accordance with Title 63G, Chapter 3,

5050 Utah Administrative Rulemaking Act, provide for the issuance of information concerning the
5051 identity and other information of taxpayers who have failed to file tax returns or to pay any tax
5052 due.

5053 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the
5054 Division of Environmental Response and Remediation, as defined in Section 19-6-402, as
5055 requested by the director of the Division of Environmental Response and Remediation, any
5056 records, returns, or other information filed with the commission under Chapter 13, Motor and
5057 Special Fuel Tax Act, or Section 19-6-410.5 regarding the environmental assurance program
5058 participation fee.

5059 (e) Notwithstanding Subsection (2), at the request of any person the commission shall
5060 provide that person sales and purchase volume data reported to the commission on a report,
5061 return, or other information filed with the commission under:

- 5062 (i) Chapter 13, Part 2, Motor Fuel; or
- 5063 (ii) Chapter 13, Part 4, Aviation Fuel.

5064 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,
5065 as defined in Section 59-22-202, the commission shall report to the manufacturer:

5066 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
5067 manufacturer and reported to the commission for the previous calendar year under Section
5068 59-14-407; and

5069 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
5070 manufacturer for which a tax refund was granted during the previous calendar year under
5071 Section 59-14-401 and reported to the commission under Subsection 59-14-401(1)(a)(v).

5072 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,
5073 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is prohibited
5074 from selling cigarettes to consumers within the state under Subsection 59-14-210(2).

5075 (h) Notwithstanding Subsection (2), the commission may:

5076 (i) provide to the Division of Consumer Protection within the Department of
5077 Commerce and the attorney general data:

- 5078 (A) reported to the commission under Section 59-14-212; or
- 5079 (B) related to a violation under Section 59-14-211; and

5080 (ii) upon request, provide to any person data reported to the commission under

5081 Subsections [59-14-212\(1\)\(a\)](#) through (c) and Subsection [59-14-212\(1\)\(g\)](#).

5082 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee
5083 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's Office of
5084 Planning and Budget, provide to the committee or office the total amount of revenues collected
5085 by the commission under Chapter 24, Radioactive Waste Facility Tax Act, for the time period
5086 specified by the committee or office.

5087 (j) Notwithstanding Subsection (2), the commission shall make the directory required
5088 by Section [59-14-603](#) available for public inspection.

5089 (k) Notwithstanding Subsection (2), the commission may share information with
5090 federal, state, or local agencies as provided in Subsection [59-14-606\(3\)](#).

5091 (l) (i) Notwithstanding Subsection (2), the commission shall provide the Office of
5092 Recovery Services within the Department of Human Services any relevant information
5093 obtained from a return filed under Chapter 10, Individual Income Tax Act, regarding a taxpayer
5094 who has become obligated to the Office of Recovery Services.

5095 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office of
5096 Recovery Services to any other state's child support collection agency involved in enforcing
5097 that support obligation.

5098 (m) (i) Notwithstanding Subsection (2), upon request from the state court
5099 administrator, the commission shall provide to the state court administrator, the name, address,
5100 telephone number, county of residence, and social security number on resident returns filed
5101 under Chapter 10, Individual Income Tax Act.

5102 (ii) The state court administrator may use the information described in Subsection
5103 (4)(m)(i) only as a source list for the master jury list described in Section [78B-1-106](#).

5104 (n) (i) As used in this Subsection (4)(n):

5105 (A) "GO Utah office" means the Governor's Office of Economic Opportunity created in
5106 Section [63N-1a-301](#).

5107 (B) "Income tax information" means information gained by the commission that is
5108 required to be attached to or included in a return filed with the commission under Chapter 7,
5109 Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

5110 (C) "Other tax information" means information gained by the commission that is
5111 required to be attached to or included in a return filed with the commission except for a return

5112 filed under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual
5113 Income Tax Act.

5114 (D) "Tax information" means income tax information or other tax information.

5115 (ii) (A) Notwithstanding Subsection (2) and except as provided in Subsection
5116 (4)(n)(ii)(B) or (C), the commission shall at the request of the GO Utah office provide to the
5117 GO Utah office all income tax information.

5118 (B) For purposes of a request for income tax information made under Subsection
5119 (4)(n)(ii)(A), the GO Utah office may not request and the commission may not provide to the
5120 GO Utah office a person's address, name, social security number, or taxpayer identification
5121 number.

5122 (C) In providing income tax information to the GO Utah office, the commission shall
5123 in all instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).

5124 (iii) (A) Notwithstanding Subsection (2) and except as provided in Subsection
5125 (4)(n)(iii)(B), the commission shall at the request of the GO Utah office provide to the GO
5126 Utah office other tax information.

5127 (B) Before providing other tax information to the GO Utah office, the commission
5128 shall redact or remove any name, address, social security number, or taxpayer identification
5129 number.

5130 (iv) The GO Utah office may provide tax information received from the commission in
5131 accordance with this Subsection (4)(n) only:

5132 (A) as a fiscal estimate, fiscal note information, or statistical information; and

5133 (B) if the tax information is classified to prevent the identification of a particular
5134 return.

5135 (v) (A) A person may not request tax information from the GO Utah office under Title
5136 63G, Chapter 2, Government Records Access and Management Act, or this section, if the GO
5137 Utah office received the tax information from the commission in accordance with this
5138 Subsection (4)(n).

5139 (B) The GO Utah office may not provide to a person that requests tax information in
5140 accordance with Subsection (4)(n)(v)(A) any tax information other than the tax information the
5141 GO Utah office provides in accordance with Subsection (4)(n)(iv).

5142 (o) Notwithstanding Subsection (2), the commission may provide to the governing

5143 board of the agreement or a taxing official of another state, the District of Columbia, the United
5144 States, or a territory of the United States:

5145 (i) the following relating to an agreement sales and use tax:

5146 (A) information contained in a return filed with the commission;

5147 (B) information contained in a report filed with the commission;

5148 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or

5149 (D) a document filed with the commission; or

5150 (ii) a report of an audit or investigation made with respect to an agreement sales and
5151 use tax.

5152 (p) Notwithstanding Subsection (2), the commission may provide information
5153 concerning a taxpayer's state income tax return or state income tax withholding information to
5154 the Driver License Division if the Driver License Division:

5155 (i) requests the information; and

5156 (ii) provides the commission with a signed release form from the taxpayer allowing the
5157 Driver License Division access to the information.

5158 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah
5159 Communications Authority, or a division of the Utah Communications Authority, the
5160 information requested by the authority under Sections [63H-7a-302](#), [63H-7a-402](#), and
5161 [63H-7a-502](#).

5162 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah
5163 Educational Savings Plan information related to a resident or nonresident individual's
5164 contribution to a Utah Educational Savings Plan account as designated on the resident or
5165 nonresident's individual income tax return as provided under Section [59-10-1313](#).

5166 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under
5167 Sections [26-18-2.5](#) and [26-40-105](#), the commission shall provide an eligibility worker with the
5168 Department of Health or its designee with the adjusted gross income of an individual if:

5169 (i) an eligibility worker with the Department of Health or its designee requests the
5170 information from the commission; and

5171 (ii) the eligibility worker has complied with the identity verification and consent
5172 provisions of Sections [26-18-2.5](#) and [26-40-105](#).

5173 (t) Notwithstanding Subsection (2), the commission may provide to a county, as

5174 determined by the commission, information declared on an individual income tax return in
5175 accordance with Section 59-10-103.1 that relates to eligibility to claim a residential exemption
5176 authorized under Section 59-2-103.

5177 (u) Notwithstanding Subsection (2), the commission shall provide a report regarding
5178 any access line provider that is over 90 days delinquent in payment to the commission of
5179 amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid Wireless
5180 Telecommunications Service Charges, to the board of the Utah Communications Authority
5181 created in Section 63H-7a-201.

5182 (v) Notwithstanding Subsection (2), the commission shall provide the Department of
5183 Environmental Quality a report on the amount of tax paid by a radioactive waste facility for the
5184 previous calendar year under Section 59-24-103.5.

5185 (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the
5186 Department of Workforce Services any information received under Chapter 10, Part 4,
5187 Withholding of Tax, that is relevant to the duties of the Department of Workforce Services.

5188 (x) Notwithstanding Subsection (2), the commission may provide the Public Service
5189 Commission or the Division of Public Utilities information related to a seller that collects and
5190 remits to the commission a charge described in Subsection 69-2-405(2), including the seller's
5191 identity and the number of charges described in Subsection 69-2-405(2) that the seller collects.

5192 (y) (i) Notwithstanding Subsection (2), the commission shall provide to each qualifying
5193 jurisdiction the collection data necessary to verify the revenue collected by the commission for
5194 a distributed tax, fee, or charge collected within the qualifying jurisdiction.

5195 (ii) In addition to the information provided under Subsection (4)(y)(i), the commission
5196 shall provide a qualifying jurisdiction with copies of returns and other information relating to a
5197 distributed tax, fee, or charge collected within the qualifying jurisdiction.

5198 (iii) (A) To obtain the information described in Subsection (4)(y)(ii), the chief
5199 executive officer or the chief executive officer's designee of the qualifying jurisdiction shall
5200 submit a written request to the commission that states the specific information sought and how
5201 the qualifying jurisdiction intends to use the information.

5202 (B) The information described in Subsection (4)(y)(ii) is available only in official
5203 matters of the qualifying jurisdiction.

5204 (iv) Information that a qualifying jurisdiction receives in response to a request under

5205 this subsection is:

5206 (A) classified as a private record under Title 63G, Chapter 2, Government Records
5207 Access and Management Act; and

5208 (B) subject to the confidentiality requirements of this section.

5209 (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic
5210 Beverage [~~Control~~] Services Commission, upon request, with taxpayer status information
5211 related to state tax obligations necessary to comply with the requirements described in Section
5212 [32B-1-203](#).

5213 (5) (a) Each report and return shall be preserved for at least three years.

5214 (b) After the three-year period provided in Subsection (5)(a) the commission may
5215 destroy a report or return.

5216 (6) (a) Any individual who violates this section is guilty of a class A misdemeanor.

5217 (b) If the individual described in Subsection (6)(a) is an officer or employee of the
5218 state, the individual shall be dismissed from office and be disqualified from holding public
5219 office in this state for a period of five years thereafter.

5220 (c) Notwithstanding Subsection (6)(a) or (b), the GO Utah office, when requesting
5221 information in accordance with Subsection (4)(n)(iii), or an individual who requests
5222 information in accordance with Subsection (4)(n)(v):

5223 (i) is not guilty of a class A misdemeanor; and

5224 (ii) is not subject to:

5225 (A) dismissal from office in accordance with Subsection (6)(b); or

5226 (B) disqualification from holding public office in accordance with Subsection (6)(b).

5227 (7) Except as provided in Section [59-1-404](#), this part does not apply to the property tax.

5228 Section 82. Section **59-15-108** is amended to read:

5229 **59-15-108. Construction and equipment of establishments.**

5230 No brewery or other establishment may be constructed or equipped in a manner which
5231 facilitates any breach of this chapter or the rules of the Alcoholic Beverage [~~Control~~] Services
5232 Commission or State Tax Commission. Any structure or equipment in violation of this section
5233 shall be removed by order of the Alcoholic Beverage Control Commission or the State Tax
5234 Commission.

5235 Section 83. Section **62A-1-121** is amended to read:

5236 **62A-1-121. Tracking effects of abuse of alcoholic products.**

5237 (1) There is created a committee within the department known as the "Alcohol Abuse
5238 Tracking Committee" that consists of:

5239 (a) the executive director or the executive director's designee;

5240 (b) the executive director of the Department of Health or that executive director's
5241 designee;

5242 (c) the commissioner of the Department of Public Safety or the commissioner's
5243 designee;

5244 (d) the director of the Department of Alcoholic Beverage [~~Control~~] Services or that
5245 director's designee;

5246 (e) the executive director of the Department of Workforce Services or that executive
5247 director's designee;

5248 (f) the chair of the Utah Substance Use and Mental Health Advisory Council or the
5249 chair's designee;

5250 (g) the state court administrator or the state court administrator's designee; and

5251 (h) the director of the Division of Technology Services or that director's designee.

5252 (2) The executive director or the executive director's designee shall chair the
5253 committee.

5254 (3) (a) Four members of the committee constitute a quorum.

5255 (b) A vote of the majority of the committee members present when a quorum is present
5256 is an action of the committee.

5257 (4) The committee shall meet at the call of the chair, except that the chair shall call a
5258 meeting at least twice a year:

5259 (a) with one meeting held each year to develop the report required under Subsection
5260 (7); and

5261 (b) with one meeting held to review and finalize the report before the report is issued.

5262 (5) The committee may adopt additional procedures or requirements for:

5263 (a) voting, when there is a tie of the committee members;

5264 (b) how meetings are to be called; and

5265 (c) the frequency of meetings.

5266 (6) The committee shall establish a process to collect for each calendar year the

5267 following information:

5268 (a) the number of individuals statewide who are convicted of, plead guilty to, plead no
5269 contest to, plead guilty in a similar manner to, or resolve by diversion or its equivalent to a
5270 violation related to underage drinking of alcohol;

5271 (b) the number of individuals statewide who are convicted of, plead guilty to, plead no
5272 contest to, plead guilty in a similar manner to, or resolve by diversion or its equivalent to a
5273 violation related to driving under the influence of alcohol;

5274 (c) the number of violations statewide of Title 32B, Alcoholic Beverage Control Act,
5275 related to over-serving or over-consumption of an alcoholic product;

5276 (d) the cost of social services provided by the state related to abuse of alcohol,
5277 including services provided by the Division of Child and Family Services;

5278 (e) the location where the alcoholic products that result in the violations or costs
5279 described in Subsections (6)(a) through (d) are obtained; and

5280 (f) any information the committee determines can be collected and relates to the abuse
5281 of alcoholic products.

5282 (7) The committee shall report the information collected under Subsection (6) annually
5283 to the governor and the Legislature by no later than the July 1 immediately following the
5284 calendar year for which the information is collected.

5285 Section 84. Section **62A-15-401** is amended to read:

5286 **62A-15-401. Alcohol training and education seminar.**

5287 (1) As used in this part:

5288 (a) "Instructor" means a person that directly provides the instruction during an alcohol
5289 training and education seminar for a seminar provider.

5290 (b) "Licensee" means a person who is:

5291 (i) (A) a new or renewing licensee under Title 32B, Alcoholic Beverage Control Act;
5292 and

5293 (B) engaged in the retail sale of an alcoholic product for consumption on the premises
5294 of the licensee; or

5295 (ii) a business that is:

5296 (A) a new or renewing licensee licensed by a city, town, or county; and

5297 (B) engaged in the retail sale of beer for consumption off the premises of the licensee.

5298 (c) "Off-premise beer retailer" is as defined in Section 32B-1-102.
5299 (d) "Seminar provider" means a person other than the division who provides an alcohol
5300 training and education seminar meeting the requirements of this section.
5301 (2) (a) This section applies to:
5302 (i) a retail manager as defined in Section 32B-1-701;
5303 (ii) retail staff as defined in Section 32B-1-701; and
5304 (iii) an individual who, as defined by division rule:
5305 (A) directly supervises the sale of beer to a customer for consumption off the premises
5306 of an off-premise beer retailer; or
5307 (B) sells beer to a customer for consumption off the premises of an off-premise beer
5308 retailer.
5309 (b) If the individual does not have a valid record that the individual has completed an
5310 alcohol training and education seminar, an individual described in Subsection (2)(a) shall:
5311 (i) (A) complete an alcohol training and education seminar within 30 days of the
5312 following if the individual is described in Subsection (2)(a)(i) or (ii):
5313 (I) if the individual is an employee, the day the individual begins employment;
5314 (II) if the individual is an independent contractor, the day the individual is first hired;
5315 or
5316 (III) if the individual holds an ownership interest in the licensee, the day that the
5317 individual first engages in an activity that would result in that individual being required to
5318 complete an alcohol training and education seminar; or
5319 (B) complete an alcohol training and education seminar within the time periods
5320 specified in Subsection 32B-1-703(1) if the individual is described in Subsection (2)(a)(iii)(A)
5321 or (B); and
5322 (ii) pay a fee:
5323 (A) to the seminar provider; and
5324 (B) that is equal to or greater than the amount established under Subsection (4)(h).
5325 (c) An individual shall have a valid record that the individual completed an alcohol
5326 training and education seminar within the time period provided in this Subsection (2) to engage
5327 in an activity described in Subsection (2)(a).
5328 (d) A record that an individual has completed an alcohol training and education

5329 seminar is valid for:

5330 (i) three years from the day on which the record is issued for an individual described in
5331 Subsection (2)(a)(i) or (ii); and

5332 (ii) five years from the day on which the record is issued for an individual described in
5333 Subsection (2)(a)(iii)(A) or (B).

5334 (e) On and after July 1, 2011, to be considered as having completed an alcohol training
5335 and education seminar, an individual shall:

5336 (i) attend the alcohol training and education seminar and take any test required to
5337 demonstrate completion of the alcohol training and education seminar in the physical presence
5338 of an instructor of the seminar provider; or

5339 (ii) complete the alcohol training and education seminar and take any test required to
5340 demonstrate completion of the alcohol training and education seminar through an online course
5341 or testing program that meets the requirements described in Subsection (2)(f).

5342 (f) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah
5343 Administrative Rulemaking Act, establish one or more requirements for an online course or
5344 testing program described in Subsection (2)(e) that are designed to inhibit fraud in the use of
5345 the online course or testing program. In developing the requirements by rule the division shall
5346 consider whether to require:

5347 (i) authentication that the an individual accurately identifies the individual as taking the
5348 online course or test;

5349 (ii) measures to ensure that an individual taking the online course or test is focused on
5350 training material throughout the entire training period;

5351 (iii) measures to track the actual time an individual taking the online course or test is
5352 actively engaged online;

5353 (iv) a seminar provider to provide technical support, such as requiring a telephone
5354 number, email, or other method of communication that allows an individual taking the online
5355 course or test to receive assistance if the individual is unable to participate online because of
5356 technical difficulties;

5357 (v) a test to meet quality standards, including randomization of test questions and
5358 maximum time limits to take a test;

5359 (vi) a seminar provider to have a system to reduce fraud as to who completes an online

5360 course or test, such as requiring a distinct online certificate with information printed on the
5361 certificate that identifies the person taking the online course or test, or requiring measures to
5362 inhibit duplication of a certificate;

5363 (vii) measures for the division to audit online courses or tests;

5364 (viii) measures to allow an individual taking an online course or test to provide an
5365 evaluation of the online course or test;

5366 (ix) a seminar provider to track the Internet protocol address or similar electronic
5367 location of an individual who takes an online course or test;

5368 (x) an individual who takes an online course or test to use an e-signature; or

5369 (xi) a seminar provider to invalidate a certificate if the seminar provider learns that the
5370 certificate does not accurately reflect the individual who took the online course or test.

5371 (3) (a) A licensee may not permit an individual who is not in compliance with
5372 Subsection (2) to:

5373 (i) serve or supervise the serving of an alcoholic product to a customer for
5374 consumption on the premises of the licensee;

5375 (ii) engage in any activity that would constitute managing operations at the premises of
5376 a licensee that engages in the retail sale of an alcoholic product for consumption on the
5377 premises of the licensee;

5378 (iii) directly supervise the sale of beer to a customer for consumption off the premises
5379 of an off-premise beer retailer; or

5380 (iv) sell beer to a customer for consumption off the premises of an off-premise beer
5381 retailer.

5382 (b) A licensee that violates Subsection (3)(a) is subject to Section [32B-1-702](#).

5383 (4) The division shall:

5384 (a) (i) provide alcohol training and education seminars; or

5385 (ii) certify one or more seminar providers;

5386 (b) establish the curriculum for an alcohol training and education seminar that includes
5387 the following subjects:

5388 (i) (A) alcohol as a drug; and

5389 (B) alcohol's effect on the body and behavior;

5390 (ii) recognizing the problem drinker or signs of intoxication;

- 5391 (iii) an overview of state alcohol laws related to responsible beverage sale or service,
5392 as determined in consultation with the Department of Alcoholic Beverage [~~Control~~] Services;
5393 (iv) dealing with the problem customer, including ways to terminate sale or service;
5394 and
5395 (v) for those supervising or engaging in the retail sale of an alcoholic product for
5396 consumption on the premises of a licensee, alternative means of transportation to get the
5397 customer safely home;
- 5398 (c) recertify each seminar provider every three years;
5399 (d) monitor compliance with the curriculum described in Subsection (4)(b);
5400 (e) maintain for at least five years a record of every person who has completed an
5401 alcohol training and education seminar;
5402 (f) provide the information described in Subsection (4)(e) on request to:
5403 (i) the Department of Alcoholic Beverage [~~Control~~] Services;
5404 (ii) law enforcement; or
5405 (iii) a person licensed by the state or a local government to sell an alcoholic product;
5406 (g) provide the Department of Alcoholic Beverage [~~Control~~] Services on request a list
5407 of any seminar provider certified by the division; and
5408 (h) establish a fee amount for each person attending an alcohol training and education
5409 seminar that is sufficient to offset the division's cost of administering this section.
- 5410 (5) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah
5411 Administrative Rulemaking Act:
- 5412 (a) define what constitutes under this section an individual who:
5413 (i) manages operations at the premises of a licensee engaged in the retail sale of an
5414 alcoholic product for consumption on the premises of the licensee;
5415 (ii) supervises the serving of an alcoholic product to a customer for consumption on the
5416 premises of a licensee;
5417 (iii) serves an alcoholic product to a customer for consumption on the premises of a
5418 licensee;
5419 (iv) directly supervises the sale of beer to a customer for consumption off the premises
5420 of an off-premise beer retailer; or
5421 (v) sells beer to a customer for consumption off the premises of an off-premise beer

5422 retailer;

5423 (b) establish criteria for certifying and recertifying a seminar provider; and

5424 (c) establish guidelines for the manner in which an instructor provides an alcohol

5425 education and training seminar.

5426 (6) A seminar provider shall:

5427 (a) obtain recertification by the division every three years;

5428 (b) ensure that an instructor used by the seminar provider:

5429 (i) follows the curriculum established under this section; and

5430 (ii) conducts an alcohol training and education seminar in accordance with the

5431 guidelines established by rule;

5432 (c) ensure that any information provided by the seminar provider or instructor of a

5433 seminar provider is consistent with:

5434 (i) the curriculum established under this section; and

5435 (ii) this section;

5436 (d) provide the division with the names of all persons who complete an alcohol training

5437 and education seminar provided by the seminar provider;

5438 (e) (i) collect a fee for each person attending an alcohol training and education seminar

5439 in accordance with Subsection (2); and

5440 (ii) forward to the division the portion of the fee that is equal to the amount described

5441 in Subsection (4)(h); and

5442 (f) issue a record to an individual that completes an alcohol training and education

5443 seminar provided by the seminar provider.

5444 (7) (a) If after a hearing conducted in accordance with Title 63G, Chapter 4,

5445 Administrative Procedures Act, the division finds that a seminar provider violates this section

5446 or that an instructor of the seminar provider violates this section, the division may:

5447 (i) suspend the certification of the seminar provider for a period not to exceed 90 days;

5448 (ii) revoke the certification of the seminar provider;

5449 (iii) require the seminar provider to take corrective action regarding an instructor; or

5450 (iv) prohibit the seminar provider from using an instructor until such time that the

5451 seminar provider establishes to the satisfaction of the division that the instructor is in

5452 compliance with Subsection (6)(b).

5453 (b) The division may certify a seminar provider whose certification is revoked:
5454 (i) no sooner than 90 days from the date the certification is revoked; and
5455 (ii) if the seminar provider establishes to the satisfaction of the division that the
5456 seminar provider will comply with this section.

5457 Section 85. Section **63A-17-502** is amended to read:

5458 **63A-17-502. Overtime policies for state employees.**

5459 (1) As used in this section:

5460 (a) "Accrued overtime hours" means:

5461 (i) for nonexempt employees, overtime hours earned during a fiscal year that, at the end
5462 of the fiscal year, have not been paid and have not been taken as time off by the nonexempt
5463 state employee who accrued them; and

5464 (ii) for exempt employees, overtime hours earned during an overtime year.

5465 (b) "Appointed official" means:

5466 (i) each department executive director and deputy director, each division director, and
5467 each member of a board or commission; and

5468 (ii) any other person employed by a department who is appointed by, or whose
5469 appointment is required by law to be approved by, the governor and who:

5470 (A) is paid a salary by the state; and

5471 (B) who exercises managerial, policy-making, or advisory responsibility.

5472 (c) "Department" means the Department of Government Operations, the Department of
5473 Corrections, the Department of Financial Institutions, the Department of Alcoholic Beverage
5474 [~~Control~~] Services, the Insurance Department, the Public Service Commission, the Labor
5475 Commission, the Department of Agriculture and Food, the Department of Human Services, the
5476 Department of Natural Resources, the Department of Transportation, the Department of
5477 Commerce, the Department of Workforce Services, the State Tax Commission, the Department
5478 of Cultural and Community Engagement, the Department of Health, the National Guard, the
5479 Department of Environmental Quality, the Department of Public Safety, the Commission on
5480 Criminal and Juvenile Justice, all merit employees except attorneys in the Office of the
5481 Attorney General, merit employees in the Office of the State Treasurer, merit employees in the
5482 Office of the State Auditor, Department of Veterans and Military Affairs, and the Board of
5483 Pardons and Parole.

5484 (d) "Elected official" means any person who is an employee of the state because the
5485 person was elected by the registered voters of Utah to a position in state government.

5486 (e) "Exempt employee" means a state employee who is exempt as defined by the Fair
5487 Labor Standards Act of 1978, 29 U.S.C. Sec. 201 et seq.

5488 (f) "FLSA" means the Fair Labor Standards Act of 1978, 29 U.S.C. Sec. 201 et seq.

5489 (g) "FLSA agreement" means the agreement authorized by the Fair Labor Standards
5490 Act of 1978, 29 U.S.C. Sec. 201 et seq., by which a nonexempt employee elects the form of
5491 compensation the nonexempt employee will receive for overtime.

5492 (h) "Nonexempt employee" means a state employee who is nonexempt as defined by
5493 the division applying FLSA requirements.

5494 (i) "Overtime" means actual time worked in excess of the employee's defined work
5495 period.

5496 (j) "Overtime year" means the year determined by a department under Subsection
5497 (4)(b) at the end of which an exempt employee's accrued overtime lapses.

5498 (k) "State employee" means every person employed by a department who is not:

5499 (i) an appointed official;

5500 (ii) an elected official; or

5501 (iii) a member of a board or commission who is paid only for per diem or travel
5502 expenses.

5503 (l) "Uniform annual date" means the date when an exempt employee's accrued
5504 overtime lapses.

5505 (m) "Work period" means:

5506 (i) for all nonexempt employees, except law enforcement and hospital employees, a
5507 consecutive seven day 24 hour work period of 40 hours;

5508 (ii) for all exempt employees, a 14 day, 80 hour payroll cycle; and

5509 (iii) for nonexempt law enforcement and hospital employees, the period established by
5510 each department by rule for those employees according to the requirements of the Fair Labor
5511 Standards Act of 1978, 29 U.S.C. Sec. 201 et seq.

5512 (2) Each department shall compensate each state employee who works overtime by
5513 complying with the requirements of this section.

5514 (3) (a) Each department shall negotiate and obtain a signed FLSA agreement from each

5515 nonexempt employee.

5516 (b) In the FLSA agreement, the nonexempt employee shall elect either to be
5517 compensated for overtime by:

5518 (i) taking time off work at the rate of one and one-half hour off for each overtime hour
5519 worked; or

5520 (ii) being paid for the overtime worked at the rate of one and one-half times the rate per
5521 hour that the state employee receives for nonovertime work.

5522 (c) Any nonexempt employee who elects to take time off under this Subsection (3)
5523 shall be paid for any overtime worked in excess of the cap established by the division.

5524 (d) Before working any overtime, each nonexempt employee shall obtain authorization
5525 to work overtime from the employee's immediate supervisor.

5526 (e) Each department shall:

5527 (i) for employees who elect to be compensated with time off for overtime, allow
5528 overtime earned during a fiscal year to be accumulated; and

5529 (ii) for employees who elect to be paid for overtime worked, pay them for overtime
5530 worked in the paycheck for the pay period in which the employee worked the overtime.

5531 (f) If a department pays a nonexempt employee for overtime, that department shall
5532 charge that payment to that department's budget.

5533 (g) At the end of each fiscal year, the Division of Finance shall total all the accrued
5534 overtime hours for nonexempt employees and charge that total against the appropriate fund or
5535 subfund.

5536 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), each department shall
5537 compensate exempt employees who work overtime by granting them time off at the rate of one
5538 hour off for each hour of overtime worked.

5539 (ii) The director of the division may grant limited exceptions to this requirement,
5540 where work circumstances dictate, by authorizing a department to pay employees for overtime
5541 worked at the rate per hour that the employee receives for nonovertime work, if that department
5542 has funds available.

5543 (b) (i) Each department shall:

5544 (A) establish in its written human resource policies a uniform annual date for each
5545 division that is at the end of any pay period; and

5546 (B) communicate the uniform annual date to its employees.
5547 (ii) If any department fails to establish a uniform annual date as required by this
5548 Subsection (4), the director of the division, in conjunction with the director of the Division of
5549 Finance, shall establish the date for that department.

5550 (c) (i) Any overtime earned under this Subsection (4) is not an entitlement, is not a
5551 benefit, and is not a vested right.

5552 (ii) A court may not construe the overtime for exempt employees authorized by this
5553 Subsection (4) as an entitlement, a benefit, or as a vested right.

5554 (d) At the end of the overtime year, upon transfer to another department at any time,
5555 and upon termination, retirement, or other situations where the employee will not return to
5556 work before the end of the overtime year:

5557 (i) any of an exempt employee's overtime that is more than the maximum established
5558 by division rule lapses; and

5559 (ii) unless authorized by the director of the division under Subsection (4)(a)(ii), a
5560 department may not compensate the exempt employee for that lapsed overtime by paying the
5561 employee for the overtime or by granting the employee time off for the lapsed overtime.

5562 (e) Before working any overtime, each exempt employee shall obtain authorization to
5563 work overtime from the exempt employee's immediate supervisor.

5564 (f) If a department pays an exempt employee for overtime under authorization from the
5565 director of the division, that department shall charge that payment to that department's budget
5566 in the pay period earned.

5567 (5) The division shall:

5568 (a) ensure that the provisions of the FLSA and this section are implemented throughout
5569 state government;

5570 (b) determine, for each state employee, whether that employee is exempt, nonexempt,
5571 law enforcement, or has some other status under the FLSA;

5572 (c) in coordination with modifications to the systems operated by the Division of
5573 Finance, make rules:

5574 (i) establishing procedures for recording overtime worked that comply with FLSA
5575 requirements;

5576 (ii) establishing requirements governing overtime worked while traveling and

- 5577 procedures for recording that overtime that comply with FLSA requirements;
- 5578 (iii) establishing requirements governing overtime worked if the employee is "on call"
- 5579 and procedures for recording that overtime that comply with FLSA requirements;
- 5580 (iv) establishing requirements governing overtime worked while an employee is being
- 5581 trained and procedures for recording that overtime that comply with FLSA requirements;
- 5582 (v) subject to the FLSA, establishing the maximum number of hours that a nonexempt
- 5583 employee may accrue before a department is required to pay the employee for the overtime
- 5584 worked;
- 5585 (vi) subject to the FLSA, establishing the maximum number of overtime hours for an
- 5586 exempt employee that do not lapse; and
- 5587 (vii) establishing procedures for adjudicating appeals of any FLSA determinations
- 5588 made by the division as required by this section;
- 5589 (d) monitor departments for compliance with the FLSA; and
- 5590 (e) recommend to the Legislature and the governor any statutory changes necessary
- 5591 because of federal government action.
- 5592 (6) (a) In coordination with the procedures for recording overtime worked established
- 5593 in rule by the division, the Division of Finance shall modify its payroll and human resource
- 5594 systems to accommodate those procedures.
- 5595 (b) Notwithstanding the procedures and requirements of Title 63G, Chapter 4,
- 5596 Administrative Procedures Act, Section [63A-17-602](#), and Section [67-19a-301](#), any employee
- 5597 who is aggrieved by the FLSA designation made by the division as required by this section may
- 5598 appeal that determination to the director of the division by following the procedures and
- 5599 requirements established in division rule.
- 5600 (c) Upon receipt of an appeal under this section, the director shall notify the executive
- 5601 director of the employee's department that the appeal has been filed.
- 5602 (d) If the employee is aggrieved by the decision of the director, the employee shall
- 5603 appeal that determination to the Department of Labor, Wage and Hour Division, according to
- 5604 the procedures and requirements of federal law.
- 5605 Section 86. Section [63A-17-807](#) is amended to read:
- 5606 **[63A-17-807. Department award program.](#)**
- 5607 (1) As used in this section:

5608 (a) "Department" means the Department of Government Operations, the Department of
5609 Agriculture and Food, the Department of Alcoholic Beverage [~~Control~~] Services, the
5610 Department of Commerce, the Department of Cultural and Community Engagement, the
5611 Department of Corrections, the Department of Workforce Services, the Department of
5612 Environmental Quality, the Department of Financial Institutions, the Department of Health, the
5613 Department of Human Services, the Insurance Department, the National Guard, the Department
5614 of Natural Resources, the Department of Public Safety, the Public Service Commission, the
5615 Labor Commission, the State Board of Education, the Utah Board of Higher Education, the
5616 State Tax Commission, and the Department of Transportation.

5617 (b) "Department head" means the individual or body of individuals in whom the
5618 ultimate legal authority of the department is vested by law.

5619 (2) There is created a department awards program to award an outstanding employee in
5620 each department of state government.

5621 (3) (a) On or before April 1 of each year, each department head shall solicit
5622 nominations for outstanding employee of the year for that department from the employees in
5623 that department.

5624 (b) On or before July 1 of each year, the department head shall:

5625 (i) select a person from the department to receive the outstanding employee of the year
5626 award using the criteria established in Subsection (3)(c); and

5627 (ii) announce the recipient of the award to the employees of the department.

5628 (c) Department heads shall make the award to an employee who demonstrates:

5629 (i) extraordinary competence in performing the employee's function;

5630 (ii) creativity in identifying problems and devising workable, cost-effective solutions;

5631 (iii) excellent relationships with the public and other employees;

5632 (iv) a commitment to serving the public as the client; and

5633 (v) a commitment to economy and efficiency in government.

5634 (4) (a) The division shall divide any appropriation for outstanding department
5635 employee awards that the division receives from the Legislature equally among the
5636 departments.

5637 (b) If a department receives money from the division or if a department budget allows,
5638 that department head shall provide the employee with a bonus, a plaque, or some other suitable

5639 acknowledgement of the award.

5640 (5) (a) A department head may name the award after an exemplary present or former
5641 employee of the department.

5642 (b) A department head may not name the award for oneself or for any relative as
5643 defined in Section 52-3-1.

5644 Section 87. Section 63B-3-301 is amended to read:

5645 **63B-3-301. Legislative intent -- Additional projects.**

5646 (1) It is the intent of the Legislature that, for any lease purchase agreement that the
5647 Legislature may authorize the Division of Facilities Construction and Management to enter into
5648 during its 1994 Annual General Session, the State Building Ownership Authority, at the
5649 reasonable rates and amounts it may determine, and with technical assistance from the state
5650 treasurer, the director of the Division of Finance, and the executive director of the Governor's
5651 Office of Planning and Budget, may seek out the most cost effective and prudent lease
5652 purchase plans available to the state and may, pursuant to Chapter 1, Part 3, State Building
5653 Ownership Authority Act, certificate out interests in, or obligations of the authority pertaining
5654 to:

5655 (a) the lease purchase obligation; or

5656 (b) lease rental payments under the lease purchase obligation.

5657 (2) It is the intent of the Legislature that the Department of Transportation dispose of
5658 surplus real properties and use the proceeds from those properties to acquire or construct
5659 through the Division of Facilities Construction and Management a new District Two Complex.

5660 (3) It is the intent of the Legislature that the State Building Board allocate funds from
5661 the Capital Improvement appropriation and donations to cover costs associated with the
5662 upgrade of the Governor's Residence that go beyond the restoration costs which can be covered
5663 by insurance proceeds.

5664 (4) (a) It is the intent of the Legislature to authorize the State Building Ownership
5665 Authority under authority of Chapter 1, Part 3, State Building Ownership Authority Act, to
5666 issue or execute obligations or enter into or arrange for a lease purchase agreement in which
5667 participation interests may be created, to provide up to \$10,600,000 for the construction of a
5668 Natural Resources Building in Salt Lake City, together with additional amounts necessary to:

5669 (i) pay costs of issuance;

5670 (ii) pay capitalized interest; and
5671 (iii) fund any debt service reserve requirements.

5672 (b) It is the intent of the Legislature that the authority seek out the most cost effective
5673 and prudent lease purchase plan available with technical assistance from the state treasurer, the
5674 director of the Division of Finance, and the executive director of the Governor's Office of
5675 Planning and Budget.

5676 (c) It is the intent of the Legislature that the operating budget for the Department of
5677 Natural Resources not be increased to fund these lease payments.

5678 (5) (a) It is the intent of the Legislature to authorize the State Building Ownership
5679 Authority under authority of Chapter 1, Part 3, State Building Ownership Authority Act, to
5680 issue or execute obligations or enter into or arrange for a lease purchase agreement in which
5681 participation interests may be created, to provide up to \$8,300,000 for the acquisition of the
5682 office buildings currently occupied by the Department of Environmental Quality and
5683 approximately 19 acres of additional vacant land at the Airport East Business Park in Salt Lake
5684 City, together with additional amounts necessary to:

5685 (i) pay costs of issuance;
5686 (ii) pay capitalized interest; and
5687 (iii) fund any debt service reserve requirements.

5688 (b) It is the intent of the Legislature that the authority seek out the most cost effective
5689 and prudent lease purchase plan available with technical assistance from the state treasurer, the
5690 director of the Division of Finance, and the executive director of the Governor's Office of
5691 Planning and Budget.

5692 (6) (a) It is the intent of the Legislature to authorize the State Building Ownership
5693 Authority under authority of Chapter 1, Part 3, State Building Ownership Authority Act, to
5694 issue or execute obligations or enter into or arrange for a lease purchase agreement in which
5695 participation interests may be created, to provide up to \$9,000,000 for the acquisition or
5696 construction of up to two field offices for the Department of Human Services in the
5697 southwestern portion of Salt Lake County, together with additional amounts necessary to:

5698 (i) pay costs of issuance;
5699 (ii) pay capitalized interest; and
5700 (iii) fund any debt service reserve requirements.

5701 (b) It is the intent of the Legislature that the authority seek out the most cost effective
5702 and prudent lease purchase plan available with technical assistance from the state treasurer, the
5703 director of the Division of Finance, and the executive director of the Governor's Office of
5704 Planning and Budget.

5705 (7) (a) It is the intent of the Legislature to authorize the State Building Ownership
5706 Authority under authority of Chapter 1, Part 3, State Building Ownership Authority Act, to
5707 issue or execute obligations or enter into or arrange for lease purchase agreements in which
5708 participation interests may be created, to provide up to \$5,000,000 for the acquisition or
5709 construction of up to 13 stores for the Department of Alcoholic Beverage [~~Control~~] Services,
5710 together with additional amounts necessary to:

- 5711 (i) pay costs of issuance;
5712 (ii) pay capitalized interest; and
5713 (iii) fund any debt service reserve requirements.

5714 (b) It is the intent of the Legislature that the authority seek out the most cost effective
5715 and prudent lease purchase plan available with technical assistance from the state treasurer, the
5716 director of the Division of Finance, and the executive director of the Governor's Office of
5717 Planning and Budget.

5718 (c) It is the intent of the Legislature that the operating budget for the Department of
5719 Alcoholic Beverage [~~Control~~] Services not be increased to fund these lease payments.

5720 (8) (a) It is the intent of the Legislature to authorize the State Building Ownership
5721 Authority under authority of Chapter 1, Part 3, State Building Ownership Authority Act, to
5722 issue or execute obligations or enter into or arrange for a lease purchase agreement in which
5723 participation interests may be created, to provide up to \$6,800,000 for the construction of a
5724 Prerelease and Parole Center for the Department of Corrections, containing a minimum of 300
5725 beds, together with additional amounts necessary to:

- 5726 (i) pay costs of issuance;
5727 (ii) pay capitalized interest; and
5728 (iii) fund any debt service reserve requirements.

5729 (b) It is the intent of the Legislature that the authority seek out the most cost effective
5730 and prudent lease purchase plan available with technical assistance from the state treasurer, the
5731 director of the Division of Finance, and the executive director of the Governor's Office of

5732 Planning and Budget.

5733 (9) If S.B. 275, 1994 General Session, which authorizes funding for a Courts Complex
5734 in Salt Lake City, becomes law, it is the intent of the Legislature that:

5735 (a) the Legislative Management Committee, the Interim Appropriation Subcommittees
5736 for General Government and Capital Facilities and Executive Offices, Courts, and Corrections,
5737 the Office of the Legislative Fiscal Analyst, the Governor's Office of Planning and Budget, and
5738 the State Building Board participate in a review of the proposed facility design for the Courts
5739 Complex no later than December 1994; and

5740 (b) although this review will not affect the funding authorization issued by the 1994
5741 Legislature, it is expected that Division of Facilities Construction and Management will give
5742 proper attention to concerns raised in these reviews and make appropriate design changes
5743 pursuant to the review.

5744 (10) It is the intent of the Legislature that:

5745 (a) the Division of Facilities Construction and Management, in cooperation with the
5746 Division of Youth Corrections renamed in 2003 to the Division of Juvenile Justice Services,
5747 develop a flexible use prototype facility for the Division of Youth Corrections renamed in 2003
5748 to the Division of Juvenile Justice Services;

5749 (b) the development process use existing prototype proposals unless it can be
5750 quantifiably demonstrated that the proposals cannot be used;

5751 (c) the facility is designed so that with minor modifications, it can accommodate
5752 detention, observation and assessment, transition, and secure programs as needed at specific
5753 geographical locations;

5754 (d) (i) funding as provided in the fiscal year 1995 bond authorization for the Division
5755 of Youth Corrections renamed in 2003 to the Division of Juvenile Justice Services is used to
5756 design and construct one facility and design the other;

5757 (ii) the Division of Youth Corrections renamed in 2003 to the Division of Juvenile
5758 Justice Services shall:

5759 (A) determine the location for the facility for which design and construction are fully
5760 funded; and

5761 (B) in conjunction with the Division of Facilities Construction and Management,
5762 determine the best methodology for design and construction of the fully funded facility;

5763 (e) the Division of Facilities Construction and Management submit the prototype as
5764 soon as possible to the Infrastructure and General Government Appropriations Subcommittee
5765 and Executive Offices, Criminal Justice, and Legislature Appropriation Subcommittee for
5766 review;

5767 (f) the Division of Facilities Construction and Management issue a Request for
5768 Proposal for one of the facilities, with that facility designed and constructed entirely by the
5769 winning firm;

5770 (g) the other facility be designed and constructed under the existing Division of
5771 Facilities Construction and Management process;

5772 (h) that both facilities follow the program needs and specifications as identified by
5773 Division of Facilities Construction and Management and the Division of Youth Corrections
5774 renamed in 2003 to the Division of Juvenile Justice Services in the prototype; and

5775 (i) the fully funded facility should be ready for occupancy by September 1, 1995.

5776 (11) It is the intent of the Legislature that the fiscal year 1995 funding for the State Fair
5777 Park Master Study be used by the Division of Facilities Construction and Management to
5778 develop a master plan for the State Fair Park that:

5779 (a) identifies capital facilities needs, capital improvement needs, building
5780 configuration, and other long term needs and uses of the State Fair Park and its buildings; and

5781 (b) establishes priorities for development, estimated costs, and projected timetables.

5782 (12) It is the intent of the Legislature that:

5783 (a) the Division of Facilities Construction and Management, in cooperation with the
5784 Division of State Parks, formerly known as the Division of Parks and Recreation, and
5785 surrounding counties, develop a master plan and general program for the phased development
5786 of Antelope Island;

5787 (b) the master plan:

5788 (i) establish priorities for development;

5789 (ii) include estimated costs and projected time tables; and

5790 (iii) include recommendations for funding methods and the allocation of
5791 responsibilities between the parties; and

5792 (c) the results of the effort be reported to the Natural Resources, Agriculture, and
5793 Environmental Quality Appropriations Subcommittee and Infrastructure and General

5794 Government Appropriations Subcommittee.

5795 (13) It is the intent of the Legislature to authorize the University of Utah to use:

5796 (a) bond reserves to plan, design, and construct the Kingsbury Hall renovation under
5797 the supervision of the director of the Division of Facilities Construction and Management
5798 unless supervisory authority is delegated by the director; and

5799 (b) donated and other nonappropriated funds to plan, design, and construct the Biology
5800 Research Building under the supervision of the director of the Division of Facilities
5801 Construction and Management unless supervisory authority is delegated by the director.

5802 (14) It is the intent of the Legislature to authorize Utah State University to use:

5803 (a) federal and other funds to plan, design, and construct the Bee Lab under the
5804 supervision of the director of the Division of Facilities Construction and Management unless
5805 supervisory authority is delegated by the director;

5806 (b) donated and other nonappropriated funds to plan, design, and construct an Athletic
5807 Facility addition and renovation under the supervision of the director of the Division of
5808 Facilities Construction and Management unless supervisory authority is delegated by the
5809 director;

5810 (c) donated and other nonappropriated funds to plan, design, and construct a renovation
5811 to the Nutrition and Food Science Building under the supervision of the director of the
5812 Division of Facilities Construction and Management unless supervisory authority is delegated
5813 by the director; and

5814 (d) federal and private funds to plan, design, and construct the Millville Research
5815 Facility under the supervision of the director of the Division of Facilities Construction and
5816 Management unless supervisory authority is delegated by the director.

5817 (15) It is the intent of the Legislature to authorize Salt Lake Community College to use:

5818 (a) institutional funds to plan, design, and construct a remodel to the Auto Trades
5819 Office and Learning Center under the supervision of the director of the Division of Facilities
5820 Construction and Management unless supervisory authority is delegated by the director;

5821 (b) institutional funds to plan, design, and construct the relocation and expansion of a
5822 temporary maintenance compound under the supervision of the director of the Division of
5823 Facilities Construction and Management unless supervisory authority is delegated by the
5824 director; and

5825 (c) institutional funds to plan, design, and construct the Alder Amphitheater under the
5826 supervision of the director of the Division of Facilities Construction and Management unless
5827 supervisory authority is delegated by the director.

5828 (16) It is the intent of the Legislature to authorize Southern Utah University to use:

5829 (a) federal funds to plan, design, and construct a Community Services Building under
5830 the supervision of the director of the Division of Facilities Construction and Management
5831 unless supervisory authority is delegated by the director; and

5832 (b) donated and other nonappropriated funds to plan, design, and construct a stadium
5833 expansion under the supervision of the director of the Division of Facilities Construction and
5834 Management unless supervisory authority is delegated by the director.

5835 (17) It is the intent of the Legislature to authorize the Department of Corrections to use
5836 donated funds to plan, design, and construct a Prison Chapel at the Central Utah Correctional
5837 Facility in Gunnison under the supervision of the director of the Division of Facilities
5838 Construction and Management unless supervisory authority is delegated by the director.

5839 (18) If the Utah National Guard does not relocate in the Signetics Building, it is the
5840 intent of the Legislature to authorize the Guard to use federal funds and funds from Provo City
5841 to plan and design an Armory in Provo, Utah, under the supervision of the director of the
5842 Division of Facilities Construction and Management unless supervisory authority is delegated
5843 by the director.

5844 (19) It is the intent of the Legislature that the Utah Department of Transportation use
5845 \$250,000 of the fiscal year 1995 highway appropriation to fund an environmental study in
5846 Ogden, Utah of the 2600 North Corridor between Washington Boulevard and I-15.

5847 (20) It is the intent of the Legislature that the Ogden-Weber Applied Technology
5848 Center use the money appropriated for fiscal year 1995 to design the Metal Trades Building
5849 and purchase equipment for use in that building that could be used in metal trades or other
5850 programs in other Applied Technology Centers.

5851 (21) It is the intent of the Legislature that the Bridgerland Applied Technology Center
5852 and the Ogden-Weber Applied Technology Center projects as designed in fiscal year 1995 be
5853 considered as the highest priority projects for construction funding in fiscal year 1996.

5854 (22) It is the intent of the Legislature that:

5855 (a) the Division of Facilities Construction and Management complete physical space

5856 utilization standards by June 30, 1995, for the use of technology education activities;

5857 (b) these standards are to be developed with and approved by the State Board of
5858 Education, the Board of Regents, and the Utah State Building Board;

5859 (c) these physical standards be used as the basis for:

5860 (i) determining utilization of any technology space based on number of stations capable
5861 and occupied for any given hour of operation; and

5862 (ii) requests for any new space or remodeling;

5863 (d) the fiscal year 1995 projects at the Bridgerland Applied Technology Center and the
5864 Ogden-Weber Applied Technology Center are exempt from this process; and

5865 (e) the design of the Davis Applied Technology Center take into account the utilization
5866 formulas established by the Division of Facilities Construction and Management.

5867 (23) It is the intent of the Legislature that Utah Valley State College may use the
5868 money from the bond allocated to the remodel of the Signetics building to relocate its technical
5869 education programs at other designated sites or facilities under the supervision of the director
5870 of the Division of Facilities Construction and Management unless supervisory authority is
5871 delegated by the director.

5872 (24) It is the intent of the Legislature that the money provided for the fiscal year 1995
5873 project for the Bridgerland Applied Technology Center be used to design and construct the
5874 space associated with Utah State University and design the technology center portion of the
5875 project.

5876 (25) It is the intent of the Legislature that the governor provide periodic reports on the
5877 expenditure of the funds provided for electronic technology, equipment, and hardware to the
5878 Infrastructure and General Government Appropriations Subcommittee, and the Legislative
5879 Management Committee.

5880 Section 88. Section **63B-5-201** is amended to read:

5881 **63B-5-201. Legislative intent statements.**

5882 (1) If the United States Department of Defense has not provided matching funds to
5883 construct the National Guard Armory in Orem by December 31, 1997, the Division of Facilities
5884 Construction and Management shall transfer any funds received from issuance of a General
5885 Obligation Bond for benefit of the Orem Armory to the Provo Armory for capital
5886 improvements.

5887 (2) It is the intent of the Legislature that the University of Utah use institutional funds
5888 to plan, design, and construct:

5889 (a) the Health Science East parking structure under the supervision of the director of
5890 the Division of Facilities Construction and Management unless supervisory authority is
5891 delegated by the director;

5892 (b) the Health Science Office Building under the supervision of the director of the
5893 Division of Facilities Construction and Management unless supervisory authority is delegated
5894 by the director; and

5895 (c) the new Student Housing/Olympic Athletes Village under the supervision of the
5896 director of the Division of Facilities Construction and Management unless supervisory
5897 authority is delegated by the director.

5898 (3) It is the intent of the Legislature that Utah State University use institutional funds to
5899 plan, design, and construct a multipurpose facility under the supervision of the director of the
5900 Division of Facilities Construction and Management unless supervisory authority is delegated
5901 by the director.

5902 (4) It is the intent of the Legislature that the Utah Geologic Survey use agency internal
5903 funding to plan, design, and construct a sample library facility under the supervision of the
5904 director of the Division of Facilities Construction and Management unless supervisory
5905 authority is delegated by the director.

5906 (5) (a) If legislation introduced in the 1996 General Session to fund the Wasatch State
5907 Park Club House does not pass, the State Building Ownership Authority, under authority of
5908 Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute
5909 obligations, or enter into or arrange for a lease purchase agreement in which participation
5910 interests may be created, to provide up to \$1,500,000 for the remodel and expansion of the
5911 clubhouse at Wasatch Mountain State Park for the Division of State Parks, formerly known as
5912 the Division of Parks and Recreation, together with additional amounts necessary to:

5913 (i) pay costs of issuance;

5914 (ii) pay capitalized interest; and

5915 (iii) fund any debt service reserve requirements.

5916 (b) The State Building Ownership Authority shall work cooperatively with the
5917 Division of State Parks, formerly known as the Division of Parks and Recreation, to seek out

5918 the most cost effective and prudent lease purchase plan available.

5919 (6) (a) The State Building Ownership Authority, under authority of Title 63B, Chapter
5920 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
5921 into or arrange for a lease purchase agreement in which participation interests may be created,
5922 to provide up to \$835,300 for the construction of a liquor store in the Snyderville area, together
5923 with additional amounts necessary to:

- 5924 (i) pay costs of issuance;
- 5925 (ii) pay capitalized interest; and
- 5926 (iii) fund any debt service reserve requirements.

5927 (b) The State Building Ownership Authority shall work cooperatively with the
5928 Department of Alcoholic Beverage ~~[Control]~~ Services to seek out the most cost effective and
5929 prudent lease purchase plan available.

5930 (7) (a) The State Building Ownership Authority, under authority of Title 63B, Chapter
5931 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
5932 into or arrange for a lease purchase agreement in which participation interests may be created,
5933 to provide up to \$15,000,000 for the construction of the Huntsman Cancer Institute, together
5934 with additional amounts necessary to:

- 5935 (i) pay costs of issuance;
- 5936 (ii) pay capitalized interest; and
- 5937 (iii) fund any debt service reserve requirements.

5938 (b) The State Building Ownership Authority shall work cooperatively with the
5939 University of Utah to seek out the most cost effective and prudent lease purchase plan
5940 available.

5941 (c) It is the intent of the Legislature that the University of Utah lease land to the State
5942 Building Ownership Authority for the construction of the Huntsman Cancer Institute facility.

5943 (8) (a) The State Building Ownership Authority, under authority of Title 63B, Chapter
5944 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
5945 into or arrange for a lease purchase agreement in which participation interests may be created,
5946 to provide up to \$857,600 for the construction of an addition to the Human Services facility in
5947 Vernal, Utah together with additional amounts necessary to:

- 5948 (i) pay costs of issuance;

5949 (ii) pay capitalized interest; and

5950 (iii) fund any debt service reserve requirements.

5951 (b) The State Building Ownership Authority shall work cooperatively with the
5952 Department of Human Services to seek out the most cost effective and prudent lease purchase
5953 plan available.

5954 (9) (a) The State Building Ownership Authority, under authority of Title 63B, Chapter
5955 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
5956 into or arrange for a lease purchase agreement in which participation interests may be created,
5957 to provide up to \$3,470,200 for the construction of the Student Services Center, at Utah State
5958 University Eastern, together with additional amounts necessary to:

5959 (i) pay costs of issuance;

5960 (ii) pay capitalized interest; and

5961 (iii) fund any debt service reserve requirements.

5962 (b) The State Building Ownership Authority shall work cooperatively with Utah State
5963 University Eastern to seek out the most cost effective and prudent lease purchase plan
5964 available.

5965 (10) (a) Notwithstanding anything to the contrary in Title 53B, Chapter 21, Revenue
5966 Bonds, which prohibits the issuance of revenue bonds payable from legislative appropriations,
5967 the State Board of Regents, on behalf of Dixie College, may issue, sell, and deliver revenue
5968 bonds or other evidences of indebtedness of Dixie College to borrow money on the credit of
5969 the income and revenues, including legislative appropriations, of Dixie College, to finance the
5970 acquisition of the Dixie Center.

5971 (b) (i) The bonds or other evidences of indebtedness authorized by this section shall be
5972 issued in accordance with Title 53B, Chapter 21, Revenue Bonds, under terms and conditions
5973 and in amounts that the board, by resolution, determines are reasonable and necessary and may
5974 not exceed \$6,000,000 together with additional amounts necessary to:

5975 (A) pay cost of issuance;

5976 (B) pay capitalized interest; and

5977 (C) fund any debt service reserve requirements.

5978 (ii) To the extent that future legislative appropriations will be required to provide for
5979 payment of debt service in full, the board shall ensure that the revenue bonds are issued

5980 containing a clause that provides for payment from future legislative appropriations that are
5981 legally available for that purpose.

5982 (11) (a) The State Building Ownership Authority, under authority of Title 63B, Chapter
5983 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
5984 into or arrange for a lease purchase agreement in which participation interests may be created,
5985 to provide up to \$10,479,000 for the construction of a facility for the Courts - Davis County
5986 Regional Expansion, together with additional amounts necessary to:

- 5987 (i) pay costs of issuance;
- 5988 (ii) pay capitalized interest; and
- 5989 (iii) fund any debt service reserve requirements.

5990 (b) The State Building Ownership Authority shall work cooperatively with the
5991 Administrative Office of the Courts to seek out the most cost effective and prudent lease
5992 purchase plan available.

5993 (12) (a) The State Building Ownership Authority, under authority of Title 63B, Chapter
5994 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
5995 into or arrange for a lease purchase agreement in which participation interests may be created,
5996 to provide up to \$4,200,000 for the purchase and remodel of the Washington County
5997 Courthouse, together with additional amounts necessary to:

- 5998 (i) pay costs of issuance;
- 5999 (ii) pay capitalized interest; and
- 6000 (iii) fund any debt service reserve requirements.

6001 (b) The State Building Ownership Authority shall work cooperatively with the
6002 Administrative Office of the Courts to seek out the most cost effective and prudent lease
6003 purchase plan available.

6004 (13) (a) The State Building Ownership Authority, under authority of Title 63B, Chapter
6005 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
6006 into or arrange for a lease purchase agreement in which participation interests may be created,
6007 to provide up to \$14,299,700 for the construction of a facility for the State Library and the
6008 Division of Services for the Blind and Visually Impaired, together with additional amounts
6009 necessary to:

- 6010 (i) pay costs of issuance;

6011 (ii) pay capitalized interest; and
6012 (iii) fund any debt service reserve requirements.

6013 (b) The State Building Ownership Authority shall work cooperatively with the State
6014 Board of Education and the Governor's Office of Economic Opportunity to seek out the most
6015 cost effective and prudent lease purchase plan available.

6016 Section 89. Section **63B-10-301** is amended to read:

6017 **63B-10-301. Revenue bond authorizations.**

6018 (1) (a) It is the intent of the Legislature that the State Building Ownership Authority,
6019 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
6020 may issue or execute obligations, or enter into or arrange for a lease purchase agreement in
6021 which participation interests may be created, to provide up to \$8,281,000 for the construction
6022 of an expansion of the Department of Alcoholic Beverage [~~Control~~] Services warehouse
6023 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,
6024 and fund any debt service reserve requirements.

6025 (b) It is the intent of the Legislature that enhanced revenues of the Department of
6026 Alcoholic Beverage [~~Control~~] Services be used as the primary revenue source for repayment of
6027 any obligation created under authority of this Subsection (1).

6028 (2) (a) It is the intent of the Legislature that the State Building Ownership Authority,
6029 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
6030 may issue or execute obligations, or enter into or arrange for a lease purchase agreement in
6031 which participation interests may be created, to provide up to \$957,100 for the acquisition of a
6032 site and construction of a store in the western part of Salt Lake County for the Department of
6033 Alcoholic Beverage [~~Control~~] Services together with additional amounts necessary to pay costs
6034 of issuance, pay capitalized interest, and fund any debt service reserve requirements.

6035 (b) It is the intent of the Legislature that enhanced revenues of the Department of
6036 Alcoholic Beverage [~~Control~~] Services be used as the primary revenue source for repayment of
6037 any obligation created under authority of this Subsection (2).

6038 (3) (a) It is the intent of the Legislature that the State Building Ownership Authority,
6039 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
6040 may issue or execute obligations, or enter into or arrange for a lease purchase agreement in
6041 which participation interests may be created, to provide up to \$1,497,700 for the acquisition of

6042 a site and construction of a store in the southern part of Salt Lake County for the Department of
6043 Alcoholic Beverage [~~Control~~] Services together with additional amounts necessary to pay costs
6044 of issuance, pay capitalized interest, and fund any debt service reserve requirements.

6045 (b) It is the intent of the Legislature that enhanced revenues of the Department of
6046 Alcoholic Beverage [~~Control~~] Services be used as the primary revenue source for repayment of
6047 any obligation created under authority of this Subsection (3).

6048 (4) (a) It is the intent of the Legislature that the State Building Ownership Authority,
6049 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
6050 may issue or execute obligations, or enter into or arrange for a lease purchase agreement in
6051 which participation interests may be created, to provide up to \$100,000,000 for the acquisition
6052 and construction of a cancer clinical research hospital facility adjacent to the University of
6053 Utah Medical Center, together with additional amounts necessary to pay costs of issuance, pay
6054 capitalized interest, and fund any debt service reserve requirements.

6055 (b) The State Building Ownership Authority shall work cooperatively with the
6056 Division of Facilities Construction and Management and the University of Utah to seek out the
6057 most cost effective and prudent lease purchase plan available.

6058 (c) It is the intent of the Legislature that the University of Utah lease land to the State
6059 Building Ownership Authority for the construction of a cancer clinical research hospital facility
6060 adjacent to the University of Utah Medical Center.

6061 (d) The anticipated revenue sources for repayment of any obligation created under
6062 authority of this section are:

6063 (i) the institutional funds of the University of Utah, including the University's annual
6064 distribution of tobacco settlement funds from the state; and

6065 (ii) donations from the Huntsman Cancer Foundation and other donors.

6066 (e) By September 1 of each year of the existence of this revenue bond, the University
6067 of Utah shall give an annual report regarding the status of the bond and the bond payments to
6068 the Legislative Fiscal Analyst. This report shall be reviewed by the Higher Education
6069 Appropriations Subcommittee and the Capital Facilities Appropriation Subcommittee.

6070 (5) It is the intent of the Legislature that:

6071 (a) the Board of Regents, on behalf of the University of Utah, issue, sell, and deliver
6072 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money

6073 on the credit, revenues, and reserves of the University of Utah, other than appropriations of the
6074 Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping an
6075 expansion of the University Hospital;

6076 (b) University Hospital revenues be used as the primary revenue source for repayment
6077 of any obligation created under authority of this section; and

6078 (c) the bonds or other evidences of indebtedness authorized by this section may provide
6079 up to \$25,000,000, together with other amounts necessary to pay costs of issuance, pay
6080 capitalized interest, and fund any debt service reserve requirements.

6081 (6) It is the intent of the Legislature that:

6082 (a) the Board of Regents, on behalf of Salt Lake Community College, issue, sell, and
6083 deliver revenue bonds or other evidences of indebtedness of Salt Lake Community College to
6084 borrow money on the credit, revenues, and reserves of Salt Lake Community College, other
6085 than appropriations of the Legislature, to finance the cost of acquiring, constructing, furnishing,
6086 and equipping the remodel of the cafeteria and expansion of the Student Center;

6087 (b) student fees be used as the primary revenue source for repayment of any obligation
6088 created under authority of this section; and

6089 (c) the bonds or other evidences of indebtedness authorized by this section may provide
6090 up to \$6,000,000, together with other amounts necessary to pay costs of issuance, pay
6091 capitalized interest, and fund any debt service reserve requirements.

6092 (7) It is the intent of the Legislature that:

6093 (a) the Board of Regents, on behalf of Dixie College, issue, sell, and deliver revenue
6094 bonds or other evidences of indebtedness of Dixie College to borrow money on the credit,
6095 revenues, and reserves of Dixie College, other than appropriations of the Legislature, to finance
6096 the cost of acquiring, constructing, furnishing, and equipping an expansion of the Gardner
6097 Student Center;

6098 (b) student fees be used as the primary revenue source for repayment of any obligation
6099 created under authority of this section; and

6100 (c) the bonds or other evidences of indebtedness authorized by this section may provide
6101 up to \$1,500,000, together with other amounts necessary to pay costs of issuance, pay
6102 capitalized interest, and fund any debt service reserve requirements.

6103 Section 90. Section **63B-11-701** is amended to read:

6104 **63B-11-701. Revenue bond authorizations.**

6105 (1) It is the intent of the Legislature that:

6106 (a) the Board of Regents, on behalf of the University of Utah, issue, sell, and deliver
6107 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money
6108 on the credit, revenues, and reserves of the University of Utah, other than appropriations of the
6109 Legislature, to refinance the cost of acquiring, constructing, furnishing, and equipping the
6110 East-Campus Central Plant and related energy improvements;

6111 (b) savings in heating and cooling costs be used as the primary revenue source for
6112 repayment of any obligation created under authority of this section; and

6113 (c) the bonds or other evidences of indebtedness authorized by this section may provide
6114 up to \$33,000,000, together with other amounts necessary to pay costs of issuance, pay
6115 capitalized interest, and fund any debt service reserve requirements.

6116 (2) It is the intent of the Legislature that:

6117 (a) the Board of Regents, on behalf of Utah State University, issue, sell, and deliver
6118 revenue bonds or other evidences of indebtedness of Utah State University to borrow money on
6119 the credit, revenues, and reserves of Utah State University, other than appropriations of the
6120 Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping research
6121 and office facilities at its Research Park;

6122 (b) revenues from research activities, the Utah State University Research Foundation,
6123 and other institutional funds be used as the primary revenue source for repayment of any
6124 obligation created under authority of this section; and

6125 (c) the bonds or other evidences of indebtedness authorized by this section may provide
6126 up to \$19,000,000, together with other amounts necessary to pay costs of issuance, pay
6127 capitalized interest, and fund any debt service reserve requirements.

6128 (3) It is the intent of the Legislature that:

6129 (a) the Board of Regents, on behalf of Southern Utah University, issue, sell, and deliver
6130 revenue bonds or other evidences of indebtedness of Southern Utah University to borrow
6131 money on the credit, revenues, and reserves of Southern Utah University, other than
6132 appropriations of the Legislature, to finance the cost of acquiring, constructing, furnishing, and
6133 equipping a Student Living and Learning Facility;

6134 (b) student housing and other auxiliary revenues and student building fees be used as

6135 the primary revenue source for repayment of any obligation created under authority of this
6136 section; and

6137 (c) the bonds or other evidences of indebtedness authorized by this section may provide
6138 up to \$9,000,000, together with other amounts necessary to pay costs of issuance, pay
6139 capitalized interest, and fund any debt service reserve requirements.

6140 (4) It is the intent of the Legislature that:

6141 (a) the Board of Regents, on behalf of Snow College, issue, sell, and deliver revenue
6142 bonds or other evidences of indebtedness of Snow College to borrow money on the credit,
6143 revenues, and reserves of Snow College, other than appropriations of the Legislature, to finance
6144 the cost of acquiring, constructing, furnishing, and equipping a Multi-Event Center in
6145 Richfield;

6146 (b) usage fees and other operating revenues be used as the primary revenue source for
6147 repayment of any obligation created under authority of this section; and

6148 (c) the bonds or other evidences of indebtedness authorized by this section may provide
6149 up to \$2,500,000, together with other amounts necessary to pay costs of issuance, pay
6150 capitalized interest, and fund any debt service reserve requirements.

6151 (5) It is the intent of the Legislature that the State Building Ownership Authority, under
6152 the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may
6153 issue or execute obligations, or enter into or arrange for a lease purchase agreement in which
6154 participation interests may be created, to provide up to \$1,836,000 for the acquisition of a site
6155 and construction of a store in Tooele for the Department of Alcoholic Beverage [~~Control~~
6156 Services], together with additional amounts necessary to pay costs of issuance, pay capitalized
6157 interest, and fund any debt service reserve requirements.

6158 Section 91. Section **63B-13-201** is amended to read:

6159 **63B-13-201. Revenue bond authorizations -- State Building Ownership**
6160 **Authority.**

6161 (1) (a) It is the intent of the Legislature that the State Building Ownership Authority,
6162 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
6163 may issue or execute obligations, or enter into or arrange for a lease purchase agreement in
6164 which participation interests may be created, to provide up to \$8,205,000 for the acquisition
6165 and construction of five stores for the Department of Alcoholic Beverage [~~Control~~] Services,

6166 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,
6167 and fund any debt service reserve requirements.

6168 (b) It is the intent of the Legislature that the stores to be addressed through this
6169 authorization are:

6170 (i) a new Park City store;

6171 (ii) replacement of the Mount Olympus store;

6172 (iii) replacement of the Ogden City 2nd Street store;

6173 (iv) replacement of the Ogden Patterson Street store; and

6174 (v) expansion of the Provo store.

6175 (c) It is the intent of the Legislature that proceeds from the sale of stores replaced
6176 through this authorization shall be deposited in the General Fund.

6177 (d) It is further the intent of the Legislature that increased sales revenues be used as the
6178 primary revenue source for repayment of any obligation created under authority of this
6179 Subsection (1).

6180 (2) (a) It is the intent of the Legislature that the State Building Ownership Authority,
6181 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
6182 may issue or execute obligations, or enter into or arrange for a lease purchase agreement in
6183 which participation interests may be created, to provide up to \$8,914,000 for the acquisition
6184 and construction of a new regional office building in Ogden, together with additional amounts
6185 necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve
6186 requirements.

6187 (b) It is further the intent of the Legislature that existing rent budgets be used as the
6188 primary revenue source for repayment of any obligation created under authority of this
6189 Subsection (2).

6190 (3) (a) It is the intent of the Legislature that the State Building Ownership Authority,
6191 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
6192 may issue or execute obligations, or enter into or arrange for a lease-purchase agreement in
6193 which participation interests may be created, to provide up to \$1,450,000 for the acquisition of
6194 the leased regional office building and adjacent land in Moab, together with additional amounts
6195 necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve
6196 requirements.

6197 (b) It is further the intent of the Legislature that existing rent budgets be used as the
6198 primary revenue source for repayment of any obligation created under authority of this
6199 Subsection (3).

6200 (4) (a) It is the intent of the Legislature that the State Building Ownership Authority,
6201 under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act,
6202 may issue or execute obligations, or enter into or arrange for a lease-purchase agreement in
6203 which participation interests may be created, to provide up to \$7,103,000 for the acquisition of
6204 the Tooele Courts building and adjacent land in Tooele City, together with additional amounts
6205 necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve
6206 requirements.

6207 (b) It is further the intent of the Legislature that court fees be used as the primary
6208 revenue source for repayment of any obligation created under authority of this Subsection (4).

6209 Section 92. Section **63B-14-201** is amended to read:

6210 **63B-14-201. Revenue bond authorizations -- State Building Ownership**

6211 **Authority.**

6212 (1) It is the intent of the Legislature that the State Building Ownership Authority, under
6213 the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may
6214 issue or execute obligations, or enter into or arrange for a lease-purchase agreement in which
6215 participation interests may be created, to provide up to \$7,867,000 for the acquisition and
6216 construction of three stores for the Department of Alcoholic Beverage [~~Control~~] Services,
6217 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,
6218 and fund any debt service reserve requirements.

6219 (2) It is the intent of the Legislature that the stores to be addressed through this
6220 authorization are:

6221 (a) a new wine store in the downtown Salt Lake City area;

6222 (b) a new store in Washington County; and

6223 (c) a new store in southwest Salt Lake County.

6224 (3) It is the intent of the Legislature that:

6225 (a) increased sales revenues be used as the primary revenue source for repayment of
6226 any obligation created under authority of this subsection; and

6227 (b) the Department of Alcoholic Beverage [~~Control~~] Services may request operation

6228 and maintenance funding from sales revenues.

6229 Section 93. Section **63B-15-201** is amended to read:

6230 **63B-15-201. Revenue bond authorizations -- State Building Ownership**

6231 **Authority.**

6232 (1) It is the intent of the Legislature that the State Building Ownership Authority, under
6233 the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may
6234 issue or execute obligations, or enter into or arrange for a lease-purchase agreement in which
6235 participation interests may be created, to provide up to \$7,371,000 for the acquisition and
6236 construction of three stores for the Department of Alcoholic Beverage [~~Control~~] Services,
6237 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,
6238 and fund any debt service reserve requirements.

6239 (2) It is the intent of the Legislature that the stores to be addressed through this
6240 authorization are:

- 6241 (a) a new store in the Holladay/Cottonwood area of Salt Lake County;
- 6242 (b) expansion and remodel of the Kimball Junction store in Summit County; and
- 6243 (c) expansion and remodel of the Redwood Road store in Salt Lake County.

6244 (3) It is the intent of the Legislature that:

6245 (a) increased sales revenues be used as the primary revenue source for repayment of
6246 any obligation created under authority of this section; and

6247 (b) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6248 and maintenance funding from sales revenues.

6249 Section 94. Section **63B-16-201** is amended to read:

6250 **63B-16-201. Revenue bond authorizations -- State Building Ownership**

6251 **Authority.**

6252 (1) It is the intent of the Legislature that:

6253 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6254 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
6255 into or arrange for a lease-purchase agreement in which participation interests may be created,
6256 to provide up to \$5,662,000 for the acquisition and construction of three stores for the
6257 Department of Alcoholic Beverage [~~Control~~] Services, together with additional amounts
6258 necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve

6259 requirements;

6260 (b) the stores to be addressed through this authorization are:

6261 (i) expansion of the North Temple store in Salt Lake County;

6262 (ii) expansion of the Taylorsville store in Salt Lake County; and

6263 (iii) reconstruction of the Bountiful store in Davis County;

6264 (c) increased sales revenues be used as the primary revenue source for repayment of
6265 any obligation created under authority of this section; and

6266 (d) the Department of Alcoholic Beverage ~~[Control]~~ Services may request operation
6267 and maintenance funding from sales revenues.

6268 (2) It is the intent of the Legislature that:

6269 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6270 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
6271 into or arrange for a lease-purchase agreement in which participation interests may be created,
6272 to provide up to \$1,476,000 for the acquisition and construction of a production warehouse for
6273 Utah Correctional Industries, together with additional amounts necessary to pay costs of
6274 issuance, pay capitalized interest, and fund any debt service reserve requirements;

6275 (b) Utah Correctional Industries' revenues be used as the primary revenue source for
6276 repayment of any obligation created under authority of this section;

6277 (c) Utah Correctional Industries may plan, design, and construct the production
6278 warehouse subject to requirements in Section [63A-5b-604](#); and

6279 (d) Utah Correctional Industries may not request state funds for operation and
6280 maintenance costs or capital improvements.

6281 Section 95. Section **63B-17-201** is amended to read:

6282 **63B-17-201. Revenue bond authorizations -- State Building Ownership**

6283 **Authority.**

6284 (1) The Legislature intends that:

6285 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6286 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
6287 into or arrange for a lease purchase agreement in which participation interests may be created,
6288 to provide up to \$90,000,000 for the acquisition and construction of phase II-B of a cancer
6289 clinical research hospital facility adjacent to the University of Utah Medical Center, together

6290 with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund
6291 any debt service reserve requirements;

6292 (b) the University of Utah use institutional funds as the primary revenue source for
6293 repayment of any obligation created under authority of this section;

6294 (c) the university may plan, design, and construct phase II-B of a cancer clinical
6295 research hospital facility subject to the requirements of Section 63A-5b-604; and

6296 (d) the university may not request state funds for operation and maintenance costs or
6297 capital improvements.

6298 (2) The Legislature intends that:

6299 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6300 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
6301 into or arrange for a lease-purchase agreement in which participation interests may be created,
6302 to provide up to \$23,700,000 for the acquisition and construction of five stores for the
6303 Department of Alcoholic Beverage [~~Control~~] Services, together with additional amounts
6304 necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve
6305 requirements;

6306 (b) the stores to be addressed through this authorization are:

6307 (i) the replacement of a liquor store in Cedar City;

6308 (ii) a new Utah County North liquor store;

6309 (iii) a new Utah County South liquor store;

6310 (iv) a new Washington County South liquor store; and

6311 (v) a new Wasatch County Heber/Midway liquor store;

6312 (c) the Department of Alcoholic Beverage [~~Control~~] Services use increased sales
6313 revenues as the primary revenue source for repayment of any obligation created under authority
6314 of this section; and

6315 (d) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6316 and maintenance funding from sales revenues.

6317 Section 96. Section 63B-18-201 is amended to read:

6318 **63B-18-201. Revenue bond authorizations -- State Building Ownership**
6319 **Authority.**

6320 (1) The Legislature intends that:

6321 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
 6322 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
 6323 into or arrange for a lease-purchase agreement in which participation interests may be created,
 6324 to provide up to \$3,800,000 for the acquisition of property in the Salt Lake City, Utah area on
 6325 which to construct a Department of Alcoholic Beverage [~~Control~~] Services warehouse
 6326 expansion, together with additional amounts necessary to pay costs of issuance, pay capitalized
 6327 interest, and fund any debt service reserve requirements; and

6328 (b) the Department of Alcoholic Beverage [~~Control~~] Services use increased sales
 6329 revenues as the primary revenue source for repayment of any obligation created under authority
 6330 of this section.

6331 (2) The Legislature intends that:

6332 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
 6333 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
 6334 into or arrange for a lease-purchase agreement in which participation interests may be created,
 6335 to provide up to \$19,904,000 for the construction of a warehouse expansion for the Department
 6336 of Alcoholic Beverage [~~Control~~] Services, together with additional amounts necessary to pay
 6337 costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

6338 (b) the Department of Alcoholic Beverage [~~Control~~] Services use increased sales
 6339 revenues as the primary revenue source for repayment of any obligation created under authority
 6340 of this section; and

6341 (c) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
 6342 and maintenance funding from sales revenues.

6343 Section 97. Section **63B-24-101** is amended to read:

6344 **63B-24-101. Revenue bond authorizations -- State Building Ownership**

6345 **Authority.**

6346 (1) The Legislature intends that:

6347 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
 6348 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
 6349 enter into or arrange for a lease-purchase agreement in which participation interests may be
 6350 created, to provide up to \$86,936,000 for the Fourth District Provo Courthouse Expansion,
 6351 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,

6352 and fund any existing debt service reserve requirements;

6353 (b) the judicial branch use court fees and existing lease budgets as the primary revenue
6354 sources for repayment of any obligation created under authority of this Subsection (1); and

6355 (c) the judicial branch may use state funds for operation and maintenance costs or
6356 capital improvements.

6357 (2) The Legislature intends that:

6358 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6359 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
6360 enter into or arrange for a lease-purchase agreement in which participation interests may be
6361 created, to provide up to \$4,447,900 for a West Valley Liquor Store, together with additional
6362 amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt
6363 service reserve requirements;

6364 (b) the Department of Alcoholic Beverage ~~[Control]~~ Services use increased sales
6365 revenues as the primary revenue source for repayment of any obligation created under authority
6366 of this Subsection (2); and

6367 (c) the Department of Alcoholic Beverage ~~[Control]~~ Services may request operation
6368 and maintenance funding from sales revenues.

6369 Section 98. Section **63B-26-101** is amended to read:

6370 **63B-26-101. Revenue bond authorizations -- State Building Ownership**
6371 **Authority.**

6372 (1) The Legislature intends that:

6373 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6374 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
6375 enter into or arrange for a lease-purchase agreement in which participation interests may be
6376 created, to provide up to \$3,000,000 for the Fourth District Provo Courthouse parking lot,
6377 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,
6378 and fund any existing debt service reserve requirements;

6379 (b) the judicial branch use court fees and existing lease budgets as the primary revenue
6380 sources for repayment of any obligation created under authority of this Subsection (1);

6381 (c) the judicial branch may use state funds for operation and maintenance costs or
6382 capital improvements; and

6383 (d) the revenue bond authorized under this Subsection (1) may not be issued until on or
6384 after March 1, 2017.

6385 (2) The Legislature intends that:

6386 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6387 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
6388 enter into or arrange for a lease-purchase agreement in which participation interests may be
6389 created, to provide up to \$5,043,400 for a Syracuse liquor store, together with additional
6390 amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt
6391 service reserve requirements;

6392 (b) the Department of Alcoholic Beverage ~~[Control]~~ Services use sales revenues as the
6393 primary revenue source for repayment of any obligation created under authority of this
6394 Subsection (2); and

6395 (c) the Department of Alcoholic Beverage ~~[Control]~~ Services may request operation
6396 and maintenance funding from sales revenues.

6397 Section 99. Section **63B-27-201** is amended to read:

6398 **63B-27-201. Revenue bond authorizations -- State Building Ownership**

6399 **Authority.**

6400 (1) The Legislature intends that:

6401 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6402 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
6403 enter into or arrange for a lease-purchase agreement in which participation interests may be
6404 created, to provide up to \$5,451,800 for a Farmington liquor store, together with additional
6405 amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt
6406 service reserve requirements;

6407 (b) the Department of Alcoholic Beverage ~~[Control]~~ Services use sales revenues as the
6408 primary revenue source for repayment of any obligation created under authority of this
6409 Subsection (1); and

6410 (c) the Department of Alcoholic Beverage ~~[Control]~~ Services may request operation
6411 and maintenance funding from sales revenues.

6412 (2) The Legislature intends that:

6413 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter

6414 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
6415 enter into or arrange for a lease-purchase agreement in which participation interests may be
6416 created, to provide up to \$5,451,800 for a southwest Salt Lake County liquor store, together
6417 with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund
6418 any existing debt service reserve requirements;

6419 (b) the Department of Alcoholic Beverage [~~Control~~] Services use sales revenues as the
6420 primary revenue source for repayment of any obligation created under authority of this
6421 Subsection (2); and

6422 (c) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6423 and maintenance funding from sales revenues.

6424 Section 100. Section **63B-28-101** is amended to read:

6425 **63B-28-101. Revenue bond authorizations -- State Building Ownership**

6426 **Authority.**

6427 (1) The Legislature intends that:

6428 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6429 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
6430 enter into or arrange for a lease-purchase agreement in which participation interests may be
6431 created, to provide up to \$5,451,800 for a Pleasant Grove or Lehi market area liquor store,
6432 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,
6433 and fund any existing debt service reserve requirements;

6434 (b) the Department of Alcoholic Beverage [~~Control~~] Services use sales revenues as the
6435 primary revenue source for repayment of any obligation created under authority of this
6436 Subsection (1); and

6437 (c) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6438 and maintenance funding from sales revenues.

6439 (2) The Legislature intends that:

6440 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6441 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
6442 enter into or arrange for a lease-purchase agreement in which participation interests may be
6443 created, to provide up to \$10,759,000 for reconstructing the Store 4: Foothill liquor store,
6444 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,

6445 and fund any existing debt service reserve requirements;

6446 (b) the Department of Alcoholic Beverage [~~Control~~] Services use sales revenues as the
6447 primary revenue source for repayment of any obligation created under authority of this
6448 Subsection (2); and

6449 (c) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6450 and maintenance funding from sales revenues.

6451 Section 101. Section **63B-29-101** is amended to read:

6452 **63B-29-101. Revenue bond authorizations -- State Building Ownership**

6453 **Authority.**

6454 (1) The Legislature intends that:

6455 (a) the State Building Ownership Authority, under the authority of Chapter 1, Part 3,
6456 State Building Ownership Authority Act, may issue or execute obligations, or may enter into or
6457 arrange for a lease-purchase agreement in which participation interests may be created, to
6458 provide up to \$10,091,100 for the downtown liquor store relocation, together with additional
6459 amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt
6460 service reserve requirements;

6461 (b) the Department of Alcoholic Beverage [~~Control~~] Services use sales revenue as the
6462 primary revenue source for repayment of any obligation created under authority of this
6463 Subsection (1); and

6464 (c) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6465 and maintenance funding from sales revenue.

6466 (2) The Legislature intends that:

6467 (a) the State Building Ownership Authority, under the authority of Chapter 1, Part 3,
6468 State Building Ownership Authority Act, may issue or execute obligations, or may enter into or
6469 arrange for a lease-purchase agreement in which participation interests may be created, to
6470 provide up to \$14,000,000 for two liquor stores in the Taylorsville and West Valley City
6471 market areas, together with additional amounts necessary to pay costs of issuance, pay
6472 capitalized interest, and fund any existing debt service reserve requirements;

6473 (b) the Department of Alcoholic Beverage [~~Control~~] Services use sales revenue as the
6474 primary revenue source for repayment of any obligation created under authority of this
6475 Subsection (2); and

6476 (c) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6477 and maintenance funding from sales revenue.

6478 Section 102. Section **63B-31-202** is amended to read:

6479 **63B-31-202. State Building Ownership Authority obligations for new state liquor**
6480 **stores.**

6481 (1) The Legislature intends that:

6482 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6483 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations or may
6484 enter into or arrange for a lease-purchase agreement in which participation interests may be
6485 created, to provide up to \$11,725,700 for a Salt Lake City market area liquor store in
6486 Sugarhouse, together with additional amounts necessary to pay costs of issuance, pay
6487 capitalized interest, and fund any existing debt service reserve requirements;

6488 (b) the Department of Alcoholic Beverage [~~Control~~] Services use sales revenues as the
6489 primary revenue source for repayment of any obligation created under authority of this
6490 Subsection (1);

6491 (c) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6492 and maintenance funding from sales revenues; and

6493 (d) the Department of Alcoholic Beverage [~~Control~~] Services use up to \$5,000,000 to
6494 repay the State Store Land Acquisition Fund under Section [32B-2-307](#).

6495 (2) The Legislature intends that:

6496 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
6497 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations or may
6498 enter into or arrange for a lease-purchase agreement in which participation interests may be
6499 created, to provide up to \$5,524,000 for a Salt Lake City area market liquor store in east Sandy,
6500 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,
6501 and fund any existing debt service reserve requirements;

6502 (b) the Department of Alcoholic Beverage [~~Control~~] Services use sales revenues as the
6503 primary revenue source for repayment of any obligation created under authority of this
6504 Subsection (2); and

6505 (c) the Department of Alcoholic Beverage [~~Control~~] Services may request operation
6506 and maintenance funding from sales revenues.

6507 Section 103. Section **63G-12-306** is amended to read:

6508 **63G-12-306. Penalties.**

6509 (1) As used in this section:

6510 (a) "Applicable license" means a license issued under:

6511 (i) Title 32B, Alcoholic Beverage Control Act;

6512 (ii) Title 58, Occupations and Professions; or

6513 (iii) Title 61, Securities Division - Real Estate Division.

6514 (b) "First violation" means the first time the department imposes a penalty under this
6515 section, regardless of the number of individuals the private employer hired in violation of
6516 Subsection **63G-12-301(1)**.

6517 (c) "Second violation" means the second time the department imposes a penalty under
6518 this section, regardless of the number of individuals the private employer hired in violation of
6519 Subsection **63G-12-301(1)**.

6520 (d) "Third or subsequent violation" means a violation of Subsection **63G-12-301(1)**
6521 committed after a second violation.

6522 (2) (a) On or after the program start date, a private employer who violates Subsection
6523 **63G-12-301(1)** is subject to a penalty provided in this section under an action brought by the
6524 department in accordance with Section **63G-12-305**.

6525 (b) For a first violation of Subsection **63G-12-301(1)**, the department shall impose a
6526 civil penalty on the private employer not to exceed \$100 for each individual employed by the
6527 private employer during the time period specified in the notice of agency action who is an
6528 unauthorized alien who does not hold a valid permit.

6529 (c) For a second violation of Subsection **63G-12-301(1)**, the department shall impose a
6530 civil penalty on the private employer not to exceed \$500 for each individual employed by the
6531 private employer during the time period specified in the notice of agency action who is an
6532 unauthorized alien who does not hold a valid permit.

6533 (d) For a third or subsequent violation of Subsection **63G-12-301(1)**, the department
6534 shall:

6535 (i) order the revocation of the one or more applicable licenses that are issued to an
6536 owner, officer, director, manager, or other individual in a similar position for the private
6537 employer for a period not to exceed one year; or

6538 (ii) if no individual described in Subsection (2)(d)(i) holds an applicable license,
6539 impose a civil penalty on the private employer not to exceed \$10,000.

6540 (3) (a) If the department finds a third or subsequent violation, the department shall
6541 notify the Department of Commerce and the Department of Alcoholic Beverage [~~Control~~]
6542 Services once the department's order:

6543 (i) is not appealed, and the time to appeal has expired; or

6544 (ii) is appealed, and is affirmed, in whole or in part on appeal.

6545 (b) The notice required under Subsection (3)(a) shall state:

6546 (i) that the department has found a third or subsequent violation;

6547 (ii) that any applicable license held by an individual described in Subsection (2)(d)(i) is
6548 to be revoked; and

6549 (iii) the time period for the revocation, not to exceed one year.

6550 (c) The department shall base its determination of the length of revocation under this
6551 section on evidence or information submitted to the department during the action under which
6552 a third or subsequent violation is found, and shall consider the following factors, if relevant:

6553 (i) the number of unauthorized aliens who do not hold a permit that are employed by
6554 the private employer;

6555 (ii) prior misconduct by the private employer;

6556 (iii) the degree of harm resulting from the violation;

6557 (iv) whether the private employer made good faith efforts to comply with any
6558 applicable requirements;

6559 (v) the duration of the violation;

6560 (vi) the role of the individuals described in Subsection (2)(d)(i) in the violation; and

6561 (vii) any other factor the department considers appropriate.

6562 (4) Within 10 business days of receipt of notice under Subsection (3), the Department
6563 of Commerce and the Department of Alcoholic Beverage [~~Control~~] Services shall:

6564 (a) (i) if the Department of Commerce or Alcoholic Beverage [~~Control~~] Services
6565 Commission has issued an applicable license to an individual described in Subsection (2)(d)(i),
6566 notwithstanding any other law, revoke the applicable license; and

6567 (ii) notify the department that the applicable license is revoked; or

6568 (b) if the Department of Commerce or Alcoholic Beverage [~~Control~~] Services

6569 Commission has not issued an applicable license to an individual described in Subsection
6570 (2)(d)(i), notify the department that an applicable license has not been issued to an individual
6571 described in Subsection (2)(d)(i).

6572 (5) If an individual described in Subsection (2)(d)(i) is licensed to practice law in the
6573 state and the department finds a third or subsequent violation of Subsection [63G-12-301\(1\)](#), the
6574 department shall notify the Utah State Bar of the third and subsequent violation.

6575 Section 104. Section **63I-5-201 (Superseded 07/01/22)** is amended to read:

6576 **63I-5-201 (Superseded 07/01/22). Internal auditing programs -- State agencies.**

6577 (1) (a) The departments of Administrative Services, Agriculture, Commerce, Cultural
6578 and Community Engagement, Corrections, Workforce Services, Environmental Quality,
6579 Health, Human Services, Natural Resources, Public Safety, and Transportation, and the State
6580 Tax Commission shall conduct various types of auditing procedures as determined by the
6581 agency head or governor.

6582 (b) The governor may, by executive order, require a state agency not described in
6583 Subsection (1)(a) to establish an internal audit program.

6584 (c) The governor shall ensure that each state agency that reports to the governor has
6585 adequate internal audit coverage.

6586 (2) (a) The Administrative Office of the Courts shall establish an internal audit
6587 program under the direction of the Judicial Council, including auditing procedures for courts
6588 not of record.

6589 (b) The Judicial Council may, by rule, require other judicial agencies to establish an
6590 internal audit program.

6591 (3) (a) Dixie State University, the University of Utah, Utah State University, Salt Lake
6592 Community College, Southern Utah University, Utah Valley University, Weber State
6593 University, and Snow College shall establish an internal audit program under the direction of
6594 the Utah Board of Higher Education.

6595 (b) The Utah Board of Higher Education may issue policies requiring other higher
6596 education entities or programs to establish an internal audit program.

6597 (4) The State Board of Education shall establish an internal audit program that provides
6598 internal audit services for each program administered by the State Board of Education.

6599 (5) Subject to Section [32B-2-302.5](#), the internal audit division of the Department of

6600 Alcoholic Beverage [~~Control~~] Services shall establish an internal audit program under the
6601 direction of the Alcoholic Beverage [~~Control~~] Services Commission.

6602 Section 105. Section **63I-5-201 (Effective 07/01/22)** is amended to read:

6603 **63I-5-201 (Effective 07/01/22). Internal auditing programs -- State agencies.**

6604 (1) (a) The departments of Administrative Services, Agriculture, Commerce, Cultural
6605 and Community Engagement, Corrections, Workforce Services, Environmental Quality,
6606 Health, Human Services, Natural Resources, Public Safety, and Transportation, and the State
6607 Tax Commission shall conduct various types of auditing procedures as determined by the
6608 agency head or governor.

6609 (b) The governor may, by executive order, require a state agency not described in
6610 Subsection (1)(a) to establish an internal audit program.

6611 (c) The governor shall ensure that each state agency that reports to the governor has
6612 adequate internal audit coverage.

6613 (2) (a) The Administrative Office of the Courts shall establish an internal audit
6614 program under the direction of the Judicial Council, including auditing procedures for courts
6615 not of record.

6616 (b) The Judicial Council may, by rule, require other judicial agencies to establish an
6617 internal audit program.

6618 (3) (a) Utah Tech University, the University of Utah, Utah State University, Salt Lake
6619 Community College, Southern Utah University, Utah Valley University, Weber State
6620 University, and Snow College shall establish an internal audit program under the direction of
6621 the Utah Board of Higher Education.

6622 (b) The Utah Board of Higher Education may issue policies requiring other higher
6623 education entities or programs to establish an internal audit program.

6624 (4) The State Board of Education shall establish an internal audit program that provides
6625 internal audit services for each program administered by the State Board of Education.

6626 (5) Subject to Section [32B-2-302.5](#), the internal audit division of the Department of
6627 Alcoholic Beverage [~~Control~~] Services shall establish an internal audit program under the
6628 direction of the Alcoholic Beverage [~~Control~~] Services Commission.

6629 Section 106. Section **63J-1-219** is amended to read:

6630 **63J-1-219. Definitions -- Federal receipts reporting requirements.**

6631 (1) As used in this section:

6632 (a) (i) "Designated state agency" means the Department of Government Operations, the
6633 Department of Agriculture and Food, the Department of Alcoholic Beverage [~~Control~~
6634 Services], the Department of Commerce, the Department of Cultural and Community
6635 Engagement, the Department of Corrections, the Department of Environmental Quality, the
6636 Department of Financial Institutions, the Department of Health, the Department of Human
6637 Services, the Department of Insurance, the Department of Natural Resources, the Department
6638 of Public Safety, the Department of Transportation, the Department of Veterans and Military
6639 Affairs, the Department of Workforce Services, the Labor Commission, the Office of
6640 Economic Opportunity, the Public Service Commission, the Utah Board of Higher Education,
6641 the State Board of Education, the State Tax Commission, or the Utah National Guard.

6642 (ii) "Designated state agency" does not include the judicial branch, the legislative
6643 branch, or an office or other entity within the judicial branch or the legislative branch.

6644 (b) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C.
6645 Sec. 7501, that is reported as part of a single audit.

6646 (c) "Single audit" is as defined in 31 U.S.C. Sec. 7501.

6647 (2) Subject to Subsections (3) and (4), a designated state agency shall each year, on or
6648 before October 31, prepare a report that:

6649 (a) reports the aggregate value of federal receipts the designated state agency received
6650 for the preceding fiscal year;

6651 (b) reports the aggregate amount of federal funds appropriated by the Legislature to the
6652 designated state agency for the preceding fiscal year;

6653 (c) calculates the percentage of the designated state agency's total budget for the
6654 preceding fiscal year that constitutes federal receipts that the designated state agency received
6655 for that fiscal year; and

6656 (d) develops plans for operating the designated state agency if there is a reduction of:

6657 (i) 5% or more in the federal receipts that the designated state agency receives; and

6658 (ii) 25% or more in the federal receipts that the designated state agency receives.

6659 (3) (a) The report required by Subsection (2) that the Utah Board of Higher Education
6660 prepares shall include the information required by Subsections (2)(a) through (c) for each state
6661 institution of higher education listed in Section [53B-2-101](#).

6662 (b) The report required by Subsection (2) that the State Board of Education prepares
6663 shall include the information required by Subsections (2)(a) through (c) for each school district
6664 and each charter school within the public education system.

6665 (4) A designated state agency that prepares a report in accordance with Subsection (2)
6666 shall submit the report to the Division of Finance on or before November 1 of each year.

6667 (5) (a) The Division of Finance shall, on or before November 30 of each year, prepare a
6668 report that:

6669 (i) compiles and summarizes the reports the Division of Finance receives in accordance
6670 with Subsection (4); and

6671 (ii) compares the aggregate value of federal receipts each designated state agency
6672 received for the previous fiscal year to the aggregate amount of federal funds appropriated by
6673 the Legislature to that designated state agency for that fiscal year.

6674 (b) The Division of Finance shall, as part of the report required by Subsection (5)(a),
6675 compile a list of designated state agencies that do not submit a report as required by this
6676 section.

6677 (6) The Division of Finance shall submit the report required by Subsection (5) to the
6678 Executive Appropriations Committee on or before December 1 of each year.

6679 (7) Upon receipt of the report required by Subsection (5), the chairs of the Executive
6680 Appropriations Committee shall place the report on the agenda for review and consideration at
6681 the next Executive Appropriations Committee meeting.

6682 (8) When considering the report required by Subsection (5), the Executive
6683 Appropriations Committee may elect to:

6684 (a) recommend that the Legislature reduce or eliminate appropriations for a designated
6685 state agency;

6686 (b) take no action; or

6687 (c) take another action that a majority of the committee approves.

6688 Section 107. Section **63J-1-602.2** is amended to read:

6689 **63J-1-602.2. List of nonlapsing appropriations to programs.**

6690 Appropriations made to the following programs are nonlapsing:

6691 (1) The Legislature and the Legislature's committees.

6692 (2) The State Board of Education, including all appropriations to agencies, line items,

- 6693 and programs under the jurisdiction of the State Board of Education, in accordance with
6694 Section 53F-9-103.
- 6695 (3) The Percent-for-Art Program created in Section 9-6-404.
- 6696 (4) The LeRay McAllister Critical Land Conservation Program created in Section
6697 11-38-301.
- 6698 (5) Dedicated credits accrued to the Utah Marriage Commission as provided under
6699 Subsection 17-16-21(2)(d)(ii).
- 6700 (6) The Trip Reduction Program created in Section 19-2a-104.
- 6701 (7) The Division of Wildlife Resources for the appraisal and purchase of lands under
6702 the Pelican Management Act, as provided in Section 23-21a-6.
- 6703 (8) The emergency medical services grant program in Section 26-8a-207.
- 6704 (9) The primary care grant program created in Section 26-10b-102.
- 6705 (10) Sanctions collected as dedicated credits from Medicaid provider under Subsection
6706 26-18-3(7).
- 6707 (11) The Utah Health Care Workforce Financial Assistance Program created in Section
6708 26-46-102.
- 6709 (12) The Rural Physician Loan Repayment Program created in Section 26-46a-103.
- 6710 (13) The Opiate Overdose Outreach Pilot Program created in Section 26-55-107.
- 6711 (14) Funds that the Department of Alcoholic Beverage ~~[Control]~~ Services retains in
6712 accordance with Subsection [~~32B-2-301(9)(a)~~] 32B-2-301(8)(a) or (b).
- 6713 (15) The General Assistance program administered by the Department of Workforce
6714 Services, as provided in Section 35A-3-401.
- 6715 (16) The Utah National Guard, created in Title 39, Militia and Armories.
- 6716 (17) The State Tax Commission under Section 41-1a-1201 for the:
- 6717 (a) purchase and distribution of license plates and decals; and
- 6718 (b) administration and enforcement of motor vehicle registration requirements.
- 6719 (18) The Search and Rescue Financial Assistance Program, as provided in Section
6720 53-2a-1102.
- 6721 (19) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- 6722 (20) The Utah Board of Higher Education for teacher preparation programs, as
6723 provided in Section 53B-6-104.

6724 (21) The Medical Education Program administered by the Medical Education Council,
6725 as provided in Section [53B-24-202](#).

6726 (22) The Division of Services for People with Disabilities, as provided in Section
6727 [62A-5-102](#).

6728 (23) The Division of Fleet Operations for the purpose of upgrading underground
6729 storage tanks under Section [63A-9-401](#).

6730 (24) The Utah Seismic Safety Commission, as provided in Section [63C-6-104](#).

6731 (25) Appropriations to the Division of Technology Services for technology innovation
6732 as provided under Section [63A-16-903](#).

6733 (26) The Office of Administrative Rules for publishing, as provided in Section
6734 [63G-3-402](#).

6735 (27) The Colorado River Authority of Utah, created in Title 63M, Chapter 14,
6736 Colorado River Authority of Utah Act.

6737 (28) The Governor's Office of Economic Opportunity to fund the Enterprise Zone Act,
6738 as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

6739 (29) Appropriations to fund the Governor's Office of Economic Opportunity's Rural
6740 Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural
6741 Employment Expansion Program.

6742 (30) Appropriations to fund programs for the Jordan River Recreation Area as
6743 described in Section [65A-2-8](#).

6744 (31) The Division of Human Resource Management user training program, as provided
6745 in Section [63A-17-106](#).

6746 (32) A public safety answering point's emergency telecommunications service fund, as
6747 provided in Section [69-2-301](#).

6748 (33) The Traffic Noise Abatement Program created in Section [72-6-112](#).

6749 (34) The money appropriated from the Navajo Water Rights Negotiation Account to
6750 the Division of Water Rights, created in Section [73-2-1.1](#), for purposes of participating in a
6751 settlement of federal reserved water right claims.

6752 (35) The Judicial Council for compensation for special prosecutors, as provided in
6753 Section [77-10a-19](#).

6754 (36) A state rehabilitative employment program, as provided in Section [78A-6-210](#).

- 6755 (37) The Utah Geological Survey, as provided in Section 79-3-401.
- 6756 (38) The Bonneville Shoreline Trail Program created under Section 79-5-503.
- 6757 (39) Adoption document access as provided in Sections 78B-6-141, 78B-6-144, and
6758 78B-6-144.5.
- 6759 (40) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
6760 Defense Commission.
- 6761 (41) The program established by the Division of Facilities Construction and
6762 Management under Section 63A-5b-703 under which state agencies receive an appropriation
6763 and pay lease payments for the use and occupancy of buildings owned by the Division of
6764 Facilities Construction and Management.
- 6765 Section 108. Section 67-22-2 is amended to read:
- 6766 **67-22-2. Compensation -- Other state officers.**
- 6767 (1) As used in this section:
- 6768 (a) "Appointed executive" means the:
- 6769 (i) commissioner of the Department of Agriculture and Food;
- 6770 (ii) commissioner of the Insurance Department;
- 6771 (iii) commissioner of the Labor Commission;
- 6772 (iv) director, Department of Alcoholic Beverage [~~Control~~] Services;
- 6773 (v) commissioner of the Department of Financial Institutions;
- 6774 (vi) executive director, Department of Commerce;
- 6775 (vii) executive director, Commission on Criminal and Juvenile Justice;
- 6776 (viii) adjutant general;
- 6777 (ix) executive director, Department of Cultural and Community Engagement;
- 6778 (x) executive director, Department of Corrections;
- 6779 (xi) commissioner, Department of Public Safety;
- 6780 (xii) executive director, Department of Natural Resources;
- 6781 (xiii) executive director, Governor's Office of Planning and Budget;
- 6782 (xiv) executive director, Department of Government Operations;
- 6783 (xv) executive director, Department of Environmental Quality;
- 6784 (xvi) executive director, Governor's Office of Economic Opportunity;
- 6785 (xvii) executive director, Department of Workforce Services;

6786 (xviii) executive director, Department of Health, Nonphysician;
6787 (xix) executive director, Department of Human Services;
6788 (xx) executive director, Department of Transportation; ~~and~~
6789 (xxi) executive director, Department of Veterans and Military Affairs; and
6790 (xxii) executive director, Public Lands Policy Coordinating Office, created in Section
6791 63L-11-201.

6792 (b) "Board or commission executive" means:

- 6793 (i) members, Board of Pardons and Parole;
- 6794 (ii) chair, State Tax Commission;
- 6795 (iii) commissioners, State Tax Commission;
- 6796 (iv) executive director, State Tax Commission;
- 6797 (v) chair, Public Service Commission; and
- 6798 (vi) commissioners, Public Service Commission.

6799 (c) "Deputy" means the person who acts as the appointed executive's second in
6800 command as determined by the Division of Human Resource Management.

6801 (2) (a) The director of the Division of Human Resource Management shall:

- 6802 (i) before October 31 of each year, recommend to the governor a compensation plan for
6803 the appointed executives and the board or commission executives; and
- 6804 (ii) base those recommendations on market salary studies conducted by the Division of
6805 Human Resource Management.

6806 (b) (i) The Division of Human Resource Management shall determine the salary range
6807 for the appointed executives by:

- 6808 (A) identifying the salary range assigned to the appointed executive's deputy;
- 6809 (B) designating the lowest minimum salary from those deputies' salary ranges as the
6810 minimum salary for the appointed executives' salary range; and
- 6811 (C) designating 105% of the highest maximum salary range from those deputies' salary
6812 ranges as the maximum salary for the appointed executives' salary range.

6813 (ii) If the deputy is a medical doctor, the Division of Human Resource Management
6814 may not consider that deputy's salary range in designating the salary range for appointed
6815 executives.

6816 (c) (i) Except as provided in Subsection (2)(c)(ii), in establishing the salary ranges for

6817 board or commission executives, the Division of Human Resource Management shall set the
6818 maximum salary in the salary range for each of those positions at 90% of the salary for district
6819 judges as established in the annual appropriation act under Section 67-8-2.

6820 (ii) In establishing the salary ranges for an individual described in Subsection (1)(b)(ii)
6821 or (iii), the Division of Human Resource Management shall set the maximum salary in the
6822 salary range for each of those positions at 100% of the salary for district judges as established
6823 in the annual appropriation act under Section 67-8-2.

6824 (3) (a) (i) Except as provided in Subsection (3)(a)(ii), the governor shall establish a
6825 specific salary for each appointed executive within the range established under Subsection
6826 (2)(b).

6827 (ii) If the executive director of the Department of Health is a physician, the governor
6828 shall establish a salary within the highest physician salary range established by the Division of
6829 Human Resource Management.

6830 (iii) The governor may provide salary increases for appointed executives within the
6831 range established by Subsection (2)(b) and identified in Subsection (3)(a)(ii).

6832 (b) The governor shall apply the same overtime regulations applicable to other FLSA
6833 exempt positions.

6834 (c) The governor may develop standards and criteria for reviewing the appointed
6835 executives.

6836 (4) Salaries for other Schedule A employees, as defined in Section 63A-17-301, that
6837 are not provided for in this chapter, or in Title 67, Chapter 8, Utah Elected Official and Judicial
6838 Salary Act, shall be established as provided in Section 63A-17-301.

6839 (5) (a) The Legislature fixes benefits for the appointed executives and the board or
6840 commission executives as follows:

6841 (i) the option of participating in a state retirement system established by Title 49, Utah
6842 State Retirement and Insurance Benefit Act, or in a deferred compensation plan administered
6843 by the State Retirement Office in accordance with the Internal Revenue Code and its
6844 accompanying rules and regulations;

6845 (ii) health insurance;

6846 (iii) dental insurance;

6847 (iv) basic life insurance;

- 6848 (v) unemployment compensation;
- 6849 (vi) workers' compensation;
- 6850 (vii) required employer contribution to Social Security;
- 6851 (viii) long-term disability income insurance;
- 6852 (ix) the same additional state-paid life insurance available to other noncareer service
- 6853 employees;
- 6854 (x) the same severance pay available to other noncareer service employees;
- 6855 (xi) the same leave, holidays, and allowances granted to Schedule B state employees as
- 6856 follows:
- 6857 (A) sick leave;
- 6858 (B) converted sick leave if accrued prior to January 1, 2014;
- 6859 (C) educational allowances;
- 6860 (D) holidays; and
- 6861 (E) annual leave except that annual leave shall be accrued at the maximum rate
- 6862 provided to Schedule B state employees;
- 6863 (xii) the option to convert accumulated sick leave to cash or insurance benefits as
- 6864 provided by law or rule upon resignation or retirement according to the same criteria and
- 6865 procedures applied to Schedule B state employees;
- 6866 (xiii) the option to purchase additional life insurance at group insurance rates according
- 6867 to the same criteria and procedures applied to Schedule B state employees; and
- 6868 (xiv) professional memberships if being a member of the professional organization is a
- 6869 requirement of the position.
- 6870 (b) Each department shall pay the cost of additional state-paid life insurance for its
- 6871 executive director from its existing budget.
- 6872 (6) The Legislature fixes the following additional benefits:
- 6873 (a) for the executive director of the State Tax Commission a vehicle for official and
- 6874 personal use;
- 6875 (b) for the executive director of the Department of Transportation a vehicle for official
- 6876 and personal use;
- 6877 (c) for the executive director of the Department of Natural Resources a vehicle for
- 6878 commute and official use;

- 6879 (d) for the commissioner of Public Safety:
- 6880 (i) an accidental death insurance policy if POST certified; and
- 6881 (ii) a public safety vehicle for official and personal use;
- 6882 (e) for the executive director of the Department of Corrections:
- 6883 (i) an accidental death insurance policy if POST certified; and
- 6884 (ii) a public safety vehicle for official and personal use;
- 6885 (f) for the adjutant general a vehicle for official and personal use; and
- 6886 (g) for each member of the Board of Pardons and Parole a vehicle for commute and
- 6887 official use.

6888 Section 109. **Repealer.**

6889 This bill repeals:

6890 Section [32B-8a-101](#), **Title.**

6891 Section [32B-8a-302](#), **Application -- Approval process.**

6892 Section [32B-12-207](#), **Changing location of a warehousing facility.**

6893 Section 110. **Effective date.**

6894 This bill takes effect on May 4, 2022, with the exception of Section [63I-5-201](#)

6895 (Effective 07/01/22) which takes effect on July 1, 2022.