



## Utah Department of Alcoholic Beverage Control

### 2021/2022 Utah Legislature Recap

Updates to Utah alcohol laws and new projects

Changes to the law, including the department name change, go into effect on June 1, 2022. Funding allocations will be available on July 1, 2022, with the beginning of the state's fiscal year.

## Changes to Utah's alcohol laws

### Changes the name of the Department of Alcoholic Beverage Control

Historically known as the Department of Alcoholic Beverage Control, the department will now be named the Department of Alcoholic Beverage Services. This change emphasizes the service-oriented nature of the department. Also impacts the Alcoholic Beverage Control Commission that will be renamed to the Alcoholic Beverage Services Commission.

### Bar sub-licenses within a hotel or resort license do *not* count toward the quota of total allowable bar licenses in the state

Resort and hotel license holders are required to hold sub-licenses for individual establishments within their licensed areas. Bar licenses that become sublicenses of either a hotel or a resort no longer count toward the state quota of allowable bar licenses. **This action will make nine additional bar licenses (plus a summer or winter seasonal license) available** when the law takes effect on June 1, 2022.

### Changes Utah's definition of beer

Changes are based on how the products are made and what ingredients are included, to be more inclusive of hard seltzers. The change would make many hard seltzers compliant for sale in grocery and convenience stores while other hard seltzers would no longer be allowed to be sold in grocery and convenience stores. Those products likely have the option to be sold in DABC retail stores.

### Number of allowable single event permits increased

The number of 72-hour single event permits that may be issued in a calendar year increases from 12 to 24 permits.

### Expands acceptable forms of IDs for buying alcohol products

Allows for the acceptance of U.S. State Department issued driver licenses.

## Hotels that are licensed to sell alcohol can serve in their spa areas with the required sub-license

Expands the ability to serve alcohol in a spa to hotel licensees that obtain a spa sublicense. Hotels that are already licensed to sell alcohol on-premise may also serve within their spas, in a designated service area.

## Updates application requirements for alcohol products seeking to be sold in private retail stores

Alcohol manufacturers provide product labeling details when applying to be sold in off-premise retail stores, such as grocery and convenience stores. The change clarifies application timeline requirements as well as acceptable fonts used on labels.

## Manager training updates for retail and off-premise licensees

Confirms that retail managers must complete alcohol training within 30 days of being hired, or on the same day that a retail establishment obtains its license to sell alcohol, whichever occurs later. Off-premise retail managers must complete alcohol training within 30 days of being hired or within 30 days of the date on which the off-premise retail establishment obtains its license to sell alcohol, whichever occurs later.

(Off-premise refers to businesses such as grocery and convenience stores, where alcohol can be purchased but not consumed at the location.)

## Allows customers to take beer to-go from restaurants and bars

Restaurants and bars that are licensed to sell alcohol may sell beer in sealed containers to-go in amounts that do not exceed two liters. In establishments with restaurant licenses, customers must have eaten at the restaurant before taking beer to-go. Also clarifies that hospitality, hotel, and banquet license holders may **not** allow customers to leave their alcohol-licensed premises with a beer to-go.

## More flexibility for department staff to grant closures for license holders

Department staff have had the ability to grant license holders up to 90 days of closure. After 90 days, the Alcoholic Beverage Commission (ABC) must approve additional closure time. Update to the law allows staff to issue, after a 60-day closure, an additional 30 days or until the next ABC meeting where the licensee can request additional closure time. This negates the need for the commission to hold a special meeting if the 30-day period would expire before the next regularly scheduled commission meeting.

## Adjusts timing requirement for licensee audits

Allows staff to audit licensees annually, as opposed to one audit per licensee, per "calendar year". This change only impacts DABC staff.

### **Prohibits gambling machines at “off premise” businesses**

The new language allows the DABC to take action against the “off-premise” business’s alcohol license if illegal drugs or gambling activities are operating at the location. Off-premise refers to businesses such as grocery and convenience stores, where alcohol can be purchased but not consumed at the location.

### **Increases the number of resort licenses from four to eight**

Resort licenses are available to areas associated with a ski area and have many amenities such as lodging, bars, and restaurants, within their footprint. There are now eight total resort licenses allowed in the state of Utah.

### **Prohibits the sale of alcohol licenses**

All DABC license holders are prohibited from selling their license. Additionally, licenses will not automatically transfer with a building or business sale, as only the Alcoholic Beverage Control Commission has the authority to grant alcohol licenses.

## **Other legislative changes**

### **Juneteenth recognized state holiday**

State offices and state liquor stores will be closed in recognition of Juneteenth, a holiday commemorating when the last slaves were freed in Galveston, Texas on June 19, 1865. The Juneteenth holiday is always recognized on a Monday. If June 19 falls on Tuesday, Wednesday, Thursday, or Friday, it will be recognized on the preceding Monday. If it falls on Saturday or Sunday, it will be recognized on the following Monday.

### **New Division of Consumer Purchasing created within the DABC**

The division will administer two new programs: wine subscription and enhanced special ordering (consumer purchasing system).

#### *Wine subscription*

DABC facilitates wine subscription between the product vendor and customers. The individual pays the cost of the subscription, taxes and fees, plus the 88 percent markup as required under Utah law. Customer picks up their orders from a state store or package agency.

#### *Special ordering*

Goals are to create a faster special order process so consumers could receive their order in days, instead of weeks, and customers can order smaller amounts as allowed by the product vendor.

## **DABC approved funding requests**

### **IT Infrastructure for the compliance team**

Our compliance staff is responsible for managing interactions with local businesses in the food and beverage industry. They ensure these businesses operate safely and legally so they can continue contributing to our state's economic and cultural vitality. And, they do this work with nearly zero digital infrastructure. This request will provide compliance with digital tools that are long overdue for them to do their jobs more efficiently and effectively, while also providing businesses with conveniences expected today, such as the ability to submit payments and applications online.

### **Click and Collect: Buy Online, Pick Up In Store**

The DABC wants to join the e-commerce world in a safe and secure way. Click and Collect is common for retail stores today. It simply means that customers can select and purchase their items online, then an employee picks the items and has them ready for customers when they arrive for pickup. This program will enable shoppers to purchase their items ahead of time, then go to the store where they'll show their ID and pick up their order.

### **Retail Store Infrastructure**

Similar to technology resources for our compliance team, IT is behind the times in our retail stores as well. The funding request includes addressing IT infrastructure needs in our stores, including wireless internet access for all stores as well as wireless tools to help manage inventory.