

Utah Department of  
Alcoholic Beverage Control  
P.O. Box 30408  
Salt Lake City, UT 84130

**DABC LOCAL INDUSTRY  
REPRESENTATIVE  
APPLICATION CHECKLIST**

Website: www.abc.utah.gov  
Phone 801-977-6800  
Fax 801-977-6889

**All items in the checklist below (except the business license) must be completed before an application will be accepted by DABC.** We will attempt to complete investigations for applications received by the 10th of the month for commission review that same month. However, an investigation may take up to three months to complete. You may also be asked to supply additional documentation as needed for the investigation. We encourage you to apply early to allow for adequate time for investigation and processing.

1. \_\_\_\_ Completed Application Form:  Signed & Notarized
2. \_\_\_\_ A **non-refundable** application fee:  \$75    Initial Licensing Fee  \$125    =    \$200.00
3. \_\_\_\_ Criminal history background documents:
  - Electronic Fingerprints or Fingerprint card(s). Electronic fingerprinting (Live Scan) is available at DABC by appointment, at BCI, or a number of other FBI electronic fingerprint provider locations. (See instructions).
  - Signed 'Informed Consent and Waiver' form
  - FBI Background fees: \$37.00 for each owner, corporate officer, director or stockholder of 20% or more, managing agents, and managers responsible for directing or administration of alcohol operations.
4. \_\_\_\_ Ownership entity / organizational documents filed with Utah Department of Commerce
  - a) Individual / Sole Proprietor
  - b) If a Corporation, submit a copy of the Articles of Incorporation
  - c) If a Partnership, submit a copy of the written partnership agreement
  - d) If a Limited Liability Company, submit a copy of the Articles of Organization
5. \_\_\_\_ If applicant hold a federal importer's permit from the Alcoholic and Tobacco Tax and Trade Bureau, submit a copy
6. \_\_\_\_ Local Consent Form, signed by local authority where the business is located (form enclosed)



9. **Residency status** (list and attach proof of residency status for all individuals in section 8 who are not US citizens):

\_\_\_\_\_

10. **Criminal Offenses:** List all criminal offenses other than minor traffic offenses of which you or any person listed that have been convicted or pending criminal charges (name, criminal offense, date of conviction – use additional sheets if necessary)

\_\_\_\_\_  
\_\_\_\_\_

11. **Current Accounts:** List names, addresses, and products of all manufacturers, suppliers, and importers the applicant is authorized to represent. Attach extra sheets if necessary:

\_\_\_\_\_  
\_\_\_\_\_

The applicant agrees to maintain on file with the department a current accounts list, and agrees to notify the department in writing of any changes to the accounts listed within 14 days from the date the applicant either acquired or lost the account of a particular manufacturer, supplier, or importer.

12. List locations where these products are stored in Utah other than the Department of Alcoholic Beverage Control:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Does the applicant hold a federal importer's permit from the Alcohol and Tobacco tax and Trade Bureau?

No       Yes      (If yes, submit a copy)

Applicant agrees as a condition of licensing that he/she has read and will abide by the provisions of Title 32B, Utah Code, and all rules of the commission and directives of the Department of Alcoholic Beverage Control; and understands that failure to adhere or to no longer possesses the qualifications of a licensee may result in the suspension or revocation of the alcohol license and forfeiture of the compliance bond.

Applicant agrees to immediately notify the department of any change in ownership entity and understands that failure to do so may result in immediate suspension of the license. The undersigned verifies that the premises will not be used for permitting gambling or any other violation of law or ordinance. The undersigned hereby authorizes the department access to federal, state and local sales, payroll, income, and real and personal property tax information. The undersigned verifies that the applicant is in compliance with all federal and state laws pertaining to payment of taxes and contributions to unemployment and insurance funds. The undersigned applicant does not and will not discriminate against persons on the basis of race, color, sex, religion, ancestry, or national origin.

The undersigned hereby voluntarily consents that representatives of the Alcoholic Beverage Control Department, Commission, State Bureau of Investigation (Bureau of Alcoholic Beverage Law Enforcement), and any other law enforcement agencies shall be admitted immediately and permitted without hindrance or delay to inspect the entire premises and all records of the licensee.

The undersigned acknowledges that he/she has read and understands the statements herein and that the execution thereof is done voluntarily and by authorization of the applicant entity; and that any false statement made on this application or any other related document is a second degree felony.

The undersigned hereby makes application to the Utah Alcoholic Beverage Control Commission and certifies that the information contained herein and attached hereto is true and correct

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title / Position

State of \_\_\_\_\_

County of \_\_\_\_\_ Subscribed and

Sworn before me this day \_\_\_\_\_ of \_\_\_\_\_, 20 \_\_\_\_\_

\_\_\_\_\_  
Applicant / Owner of Business (Print)

\_\_\_\_\_  
Authorized Signature

Seal

# **DABC Licensees /Applicant / Owner /Manager Criminal History Background Check Procedures**

**AUTHORITY: Utah Code 32B-1 Part 3**

**Criminal history background checks are required for all owners and persons employed to act in a supervisory or managerial capacity for a package agency, licensee, or permittee.**

*If the owner is a partnership, corporation, or limited liability company*, a criminal history background check is required for all partners, managing agents, managers, officers, directors, or any stockholder who holds at least 20% of the total issued and outstanding stock of the corporation, or a member who owns at least 20% of the limited liability company

Each individual who falls under the description above shall consent to a criminal history background check and shall deliver the following documents and fees to the Department of Alcoholic Beverage Control:

**Background checks for each applicable person must include:**

- Fingerprints - either through a live scan service or a completed FBI fingerprint card
- A signed *Informed Consent & Waiver* form for each individual fingerprinted
- \$33.25 submitted to DABC for each individual fingerprinted

You may have *live scan* fingerprint services done at the DABC by appointment. There is no charge for the fingerprinting services but the \$33.25 Background fee will still apply. Call 801-977-6800 to set up your appointment. New DABC license applicants must submit fingerprints *prior to submitting or with their application*, so please plan ahead for fingerprinting services so you can meet your deadline prior to the 10<sup>th</sup> of the month.

Live scan fingerprint services are also available at other locations. Contact any live scan provider to see if they allow general public services.

The Bureau of Criminal Identification (BCI), located at 3888 W 5400 S., Salt Lake City Utah provides fingerprinting services as well. They may be contacted at 801-965-4445 for additional information regarding their fingerprint services.

If you use a different live scan provider other than DABC, you must supply them with the attached *live scan authorization form*. They may or may not charge a fee for their services, but the \$33.25 fee must still be paid to DABC regardless of their service fees.

# DABC LICENSEE & MANAGER BACKGROUND CHECK INFORMED CONSENT AND WAIVER

\_\_\_\_\_  
Print - Name of Applicant (First, Middle, Last)

\_\_\_\_\_  
Date of Birth (Month, Day, Year)

\_\_\_\_\_  
Name of Employer

\_\_\_\_\_  
Employer Address

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Phone Number of the Applicant

(The above information to be verified by valid identification document(s) prior to background check request per Section 1028 of Title 18, United States Code)

## APPLICANT NOTIFICATION AND PURPOSE:

In accordance with Utah Code 32B-1-303-307, your fingerprints will be used to **continuously check** the criminal history records of local and national (FBI) background check databases to determine whether an applicable individual has been:

- Convicted of a felony under federal or state law;
- Convicted of a violation of a federal law, state law, or local ordinance concerning the sale, manufacture, distribution, warehousing, or transportation of an alcoholic beverage;
- Convicted of a crime involving moral turpitude;
- Convicted on two or more occasions within the previous five years, driving under the influence of alcohol, a drug, or the combined influence of alcohol and a drug.

## RECORD CHALLENGE:

If it is determined that a criminal history record contains a disqualifying offense, the applicable person must be notified of the reason for disqualification and given an opportunity to respond to the disqualification. You have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record. The procedure for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34. Procedures for challenging the State of Utah records if Utah has records that the FBI does not (UCA 53-10-108) can be found on the BCI website at:

<https://bci.utah.gov/wp-content/uploads/sites/15/2018/01/Challenge-Application-12-5-2017.pdf>

## WAIVER:

I hereby authorize the Department of Alcoholic Beverage Control (DABC) to investigate my criminal history records and acknowledge that a background check will be conducted and maintained by the State Bureau of Criminal Identification and my fingerprints continuously checked against local and national (FBI) background check databases for so long as I maintain an employment or regulatory relationship with the DABC.

My personal information and fingerprints may be retained for ongoing monitoring and comparison against future submissions to the state, regional or federal database and latent fingerprint inquiries. DABC will establish procedures to ensure removal of my fingerprints from applicable state and federal databases when I am no longer under their purview. I will provide a list of all criminal convictions which contains a description of the crimes and the particulars of the convictions.

I have read the attached Privacy Statement and understand my rights according to this statement.

I stipulate that if a criminal conviction that would disqualify any applicable individual from holding the license, permit, or package agency, the license, permit or package agency will immediately be surrendered.

**I agree by signing below to notify the DABC if I cease this relationship and wish my fingerprints to be removed from the notification system.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## FBI Privacy Act Statement

**Authority:** The FBI's acquisition, preservation, and exchange of fingerprints and associated information is generally authorized under 28 U.S.C. 534. Depending on the nature of your application, supplemental authorities include Federal statutes, State statutes pursuant to Pub. L. 92-544, Presidential Executive Orders, and federal. Providing your fingerprints and associated information is voluntary; however, failure to do so may affect completion or approval of your application.

**Social Security Account Number (SSAN).** Your SSAN is needed to keep records accurate because other people may have the same name and birth date. Pursuant to the Federal Privacy Act of 1974 (5 USC 552a), the requesting agency is responsible for informing you whether disclosure is mandatory or voluntary, by what statutory or other authority your SSAN is solicited, and what uses will be made of it. Executive Order 9397 also asks Federal agencies to use this number to help identify individuals in agency records.

**Principal Purpose:** Certain determinations, such as employment, licensing, and security clearances, may be predicated on fingerprint-based background checks. Your fingerprints and associated information/biometrics may be provided to the employing, investigating, or otherwise responsible agency, and/or the FBI for the purpose of comparing your fingerprints to other fingerprints in the FBI's Next Generation Identification (NGI) system or its successor systems (including civil, criminal, and latent fingerprint repositories) or other available records of the employing, investigating, or otherwise responsible agency. The FBI may retain your fingerprints and associated information/biometrics in NGI after the completion of this application and, while retained, your fingerprints may continue to be compared against other fingerprints submitted to or retained by NGI.

**Routine Uses:** During the processing of this application and for as long thereafter as your fingerprints and associated information/biometrics are retained in NGI, your information may be disclosed pursuant to your consent, and may be disclosed without your consent as permitted by the Privacy Act of 1974 and all applicable Routine Uses as may be published at any time in the Federal Register, including the Routine Uses for the NGI system and the FBI's Blanket Routine Uses. Routine uses include, but are not limited to, disclosures to: employing, governmental or authorized non-governmental agencies responsible for employment, contracting licensing, security clearances, and other suitability determinations; local, state, tribal, or federal law enforcement agencies; criminal justice agencies; and agencies responsible for national security or public safety.

**Additional Information:** The requesting agency and/or the agency conducting the application-investigation will provide you additional information pertinent to the specific circumstances of this application, which may include identification of other authorities, purposes, uses, and consequences of not providing requested information. In addition, any such agency in the Federal Executive Branch has also published notice in the Federal Register describing any system(s) of records in which that agency may also maintain your records, including the authorities, purposes, and routine uses for the system(s).

**Utah Department of Alcohol Beverage Control**  
**LIVE SCAN AUTHORIZATION FORM**

**Billable to DABC**

**Agency Billing Code:** B1664 (DABC – WIN/FBI)  
**Type of Background Check Required:** WIN/FBI Check: NFUF

Use this form if NOT doing fingerprinting services at DABC. Any qualified ‘Live Scan’ provider that can provide the services may do so using the DABC billing code. They may or may not charge a fee for their services. Call Ahead!

Date: \_\_\_\_\_

Applicant Name: \_\_\_\_\_

Applicant DOB: \_\_\_\_\_ Applicant SSN: \_\_\_\_\_

DABC Authorization Signature: \_\_\_\_\_ RuthAnne Oakey-Frost

**NOTE: THIS FORM STAYS WITH THE ‘LIVE SCAN’ PROVIDER**

Regardless of any additional fees paid to the ‘Live Scan’ provider for their fingerprinting services, in accordance with Utah Code 32B-1-303-307, **fees of \$33.25 must be submitted to DABC** for all owners and persons employed to act in a supervisory or managerial capacity for a package agency, licensee or permittee. If the owner is a partnership, corporation, or limited liability company, a criminal history background check is required for all partners, managing agents, managers, officers, directors, or any stockholder who holds at least 20% of the total issued and outstanding stock of the corporation, or a member who owns at least 20% of the limited liability company

# LOCAL INDUSTRY REPRESENTATIVE

## Local Consent

**PURPOSE:** Local business licensing authority provides written consent to the Alcoholic Beverage Control Commission (1) to issue a Local Industry Representative License for the purpose representing or selling the distilled spirits, wine or heavy beer of a manufacturer, supplier, or importer.

**AUTHORITY:** Utah Code 32B-11-6

\_\_\_\_\_,  City  Town  County  
Local business license authority

Hereby grants its consent to the issuance of a Local Industry Representative License to:

Business Name (DBA): \_\_\_\_\_

Entity Name (or owner's name if sole proprietor): \_\_\_\_\_

Location Address:  
\_\_\_\_\_

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Date

This is a suggested format. A locally produced city, town, or county form is also acceptable.  
The local consent must be submitted to the DABC by the applicant as part of a complete application.

# UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

P.O. Box 30408 • Salt Lake City, UT 84130-0408 • Ph: 801-977-6800 • Fax: 801-977-6889  
website: [www.abc.utah.gov](http://www.abc.utah.gov)

## LOCAL INDUSTRY REPRESENTATIVES License Summary

*Note: This is general information only and should not be considered conclusive. For further detail, please consult Title 32B of the Utah Code (<http://le.utah.gov/UtahCode/chapter.jsp?code=32B>) or the Rules of the Commission (<http://www.rules.utah.gov/publicat/code/r081/r081.htm>)*

A local industry representative means an individual resident of Utah, Utah partnership, Utah corporation, and a Utah limited liability company compensated by any means for representing the distilled spirits, wine, heavy beer, and flavored malt beverages of a manufacturer, supplier, or importer. Local industry representatives must be licensed by the state. They may represent more than one manufacturer, supplier, or importer at a time. Licenses run from January 1 to December 31. Individual employees of a local industry representative are not required to be separately licensed.

Representatives may assist the department in ordering, shipping, and delivering merchandise. They may provide new product notification, listing and de-listing information, price quotations, product sales analysis, shelf management, and educational seminars, and may, for the purpose of acquiring new listings, solicit orders from the department and submit price lists and samples of their products to the department. Representatives may not sell or ship liquor, wine, or heavy beer to anyone within the state other than the department and military installations. Representatives may call on licensed retailers, permittees, and package agents, and provide them with informational material concerning the products they carry. Representatives must maintain on file with the department, a list of all manufacturers, suppliers, and importers they represent, and notify the department of any changes within 14 days of acquiring or losing an account.

### **A local industry representative license may *not* be granted to:**

- a holder of any retail license issued by the Alcoholic Beverage Control Commission or any employee or agent of a retail licensee; or
- any individual, partnership, corporation, or limited liability company who holds any interest in any retail license issued by the Alcoholic Beverage Control Commission; or
- a minor.

### **An employee of a local industry representative may *not* be:**

- the holder of any retail license issued by the Alcoholic Beverage Control Commission; or
- an employee of any retail licensee.

### **Liquor, wine, heavy beer, and flavored malt beverage product samples are restricted:**

- Samples may only be shipped to the department for
  - tasting and analysis by the department under certain conditions; or
  - tasting and analysis by local industry representatives at the department only under certain conditions.

### **Trade Practices:**

• *Because the interplay between state and federal law is so technical and detailed, we are providing very general information below.*

In the Alcoholic Beverage Control Act, Section 32B-4 Part 7, U.C.A., Utah's trade practice and tied house laws are made consistent with federal laws (27 U.S.C. 201 to 219A; 27 C.F.R. Subchapter A, Parts 6, 8, 10 & 11) except with respect to furnishing samples of liquor products which are regulated by Utah law. Liquor samples may only be shipped to the department for tasting and analysis by the department or for tasting and analysis by local industry representatives at the department under certain conditions. Beer samples may be given to a retailer, however not more than three gallons of any brand may be given and only if the retailer has not purchased the brand within the last 12 months.

Generally, alcoholic beverage industry members (such as manufacturers, manufacturer representatives, wholesalers, or importers), are prohibited from engaging in certain practices with retailers that unlawfully induce the retailer to purchase their products to the exclusion in whole or in part of other competitor's products. For example, manufacturers may not have either a direct or indirect ownership in any retail license (unless it is complete ownership); acquire any interest in the real or personal property of a retailer (unless it is complete ownership); furnish a retailer with equipment, fixtures, signs, supplies, money, services, or other "things of value" unless specifically authorized by the federal or state "tied house" laws; extend credit beyond a specified period (usually 30 days), act as guarantor of a retailer's debt; lend money; or require any quota or condition the sale of one product upon the purchase of another.

**Industry members *may*:**

- contribute to charitable, civic, religious, fraternal, educational, or community activities. These contributions may not be given to influence a retailer in the selection of alcoholic beverage products which might be sold at these activities and events.
- lease or furnish certain equipment for a reasonable rental or service fee for a period not to exceed 30 days to a retailer for a special event. Equipment includes a picnic pump, cold plate, tub, keg box, refrigerated trailer or van, or refrigerated draft system.

**Industry members *may not*:**

- give away any of their alcoholic products. This does not preclude an industry member from serving its alcoholic products to others at private social functions hosted by the industry member in the member's home or elsewhere so long as the product is not served as part of a promotion of its products, or as a subterfuge to provide samples to others for product testing, analysis, or sampling purposes;
- engage in any advertisement or promotional scheme that requires the purchase or sale of an alcoholic beverage, or consumption of an alcoholic beverage in order to participate in any promotion, program, or other activity; or
- sponsor or underwrite any athletic, theatrical, scholastic, artistic, or scientific event that overtly promotes consumption, offers alcoholic products to the general public without charge, or takes place on the premises of a school, college, university, or other educational institution.

# TITLE 32B - ALCOHOLIC BEVERAGE CONTROL ACT

(Updated through July 2011)

## Chapter 11 - Manufacturing Licenses

### Part 6

#### Local Industry Representative License Act

32B-11-601. Title.

This part is known as the "Local Industry Representative License Act."

32B-11-602. Definitions.

Reserved

32B-11-603. Commission's power to issue local industry representative license.

(1) (a) Before a person described in Subsection (2) may represent an alcoholic product of a manufacturer, supplier, or importer, the person shall obtain a local industry representative license from the commission in accordance with this part.

(b) A violation of this Subsection (1) is a class B misdemeanor.

(2) The commission may issue a local industry representative license to a person who is:

- (a) (i) an individual resident of Utah;
- (ii) a Utah partnership;
- (iii) a Utah corporation; or
- (iv) a Utah limited liability company; and

(b) employed by a manufacturer, supplier, or importer, to represent a liquor product with the department, a package agency, licensee, or permittee under this title, whether compensated by salary, commission, or another means.

(3) An individual staff member of a local industry representative licensee is not required to be separately licensed.

(4) A local industry representative may represent more than one manufacturer, supplier, or importer at a time.

(5) (a) A manufacturer, supplier, or importer is not required to use a local industry representative to represent its products with the department, a package agency, licensee, or permittee, except that staff of a manufacturer, supplier, or importer who is not a local industry representative shall register with the department, on a form provided by the department, before the staff represents an alcoholic product while in the state with the department, a package agency, licensee, or permittee.

(b) A manufacturer, supplier, or importer described in Subsection (5)(a) and its staff are subject to the same operational requirements of this part and Chapter 4, Criminal Offenses and Procedure Act.

32B-11-604. Application for local industry representative license.

(1) To obtain a local industry representative license, a person shall submit to the department:

- (a) a written application in a form prescribed by the department;
- (b) a nonrefundable \$75 application fee;
- (c) an initial license fee of \$125, which is refundable if a local industry representative license is not issued;
- (d) verification that the person is:
  - (i) a resident of Utah;

- (ii) a Utah partnership;
  - (iii) a Utah corporation; or
  - (iv) a Utah limited liability company;
- (e) an affidavit stating the name and address of any manufacturer, supplier, or importer the person will represent;
- (f) a signed consent form stating that the local industry representative will permit any authorized representative of the commission, department, or any law enforcement officer to have an unrestricted right to enter, during normal business hours, the specific premises where the local industry representative conducts business;
- (g) if the person is an entity, proper verification evidencing that a person who signs the application is authorized to sign on behalf of the entity; and
- (h) any other information the commission or department may require.

(2) A local industry representative licensee is not required to pay an additional license fee to represent more than one manufacturer, supplier, or importer.

**32B-11-605. Renewal requirements for local industry representative license.**

- (1) A local industry representative license expires on December 31 of each year.
- (2) To renew a local industry representative license, a person shall submit to the department by no later than November 30 of the year the license expires:
- (a) a completed renewal application in a form prescribed by the department;
  - (b) a renewal fee of \$125; and
  - (c) an affidavit stating the name and address of any manufacturer, supplier, or importer the local industry representative licensee represents at the time of submitting the renewal application.
- (3) Failure to meet the renewal requirements results in an automatic forfeiture of the local industry representative license effective on the date the existing local industry representative license expires.

**32B-11-606. Specific qualifications for local industry representative.**

- (1) The commission may not issue a local industry representative license to:
- (a) a person who is disqualified under Section 32B-1-304; or
  - (b) unless otherwise provided:
    - (i) a retail licensee that sells, offers for sale, or furnishes liquor;
    - (ii) staff of a retail licensee that sells, offers for sale, or furnishes liquor; or
    - (iii) an individual, partnership, corporation, or limited liability company who holds an interest in a retail licensee that sells, offers for sale, or furnishes liquor.
- (2) If a person to whom a local industry representative license is issued under this part no longer possesses the qualifications required by this title for obtaining that local industry representative license, the commission may suspend or revoke that local industry representative license.

**32B-11-607. Commission and department duties before issuing local representative license.**

- (1) (a) Before the commission may issue a local industry representative license, the department shall conduct an investigation and may hold public hearings to gather information and make recommendations to the commission as to whether a local industry representative license should be issued.
- (b) The department shall forward the information and recommendations described in Subsection (1)(a) to the commission to aid in the commission's determination.

- (2) Before issuing a local industry representative license, the commission shall:
- (a) determine that the person filed a complete application and is in compliance with Sections 32B-11-604 and 32B-11-606;
  - (b) determine that the person is not disqualified under Section 32B-1-304; and
  - (c) consider any other factor the commission considers necessary.

32B-11-608. Operational requirements for local industry representative license.

(1) (a) A local industry representative licensee, staff of the local industry representative licensee, or staff of a manufacturer, supplier, or importer who is conducting business in the state, shall comply with this title and rules of the commission.

(b) If a person knowingly violates Subsection (1)(a):

(i) the violation may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

(A) a local industry representative licensee;

(B) individual staff of a local industry representative licensee; or

(C) both a local industry representative licensee and staff of the local industry representative licensee; and

(ii) if the conditions of Subsection (1)(c) are met, the commission may order:

(A) the removal of the manufacturer's, supplier's, or importer's products from the department's sales list; and

(B) a suspension of the department's purchase of those products for a period determined by the commission.

(c) Subsection (1)(b)(ii) applies if the manufacturer, supplier, or importer:

(i) directly commits the violation; or

(ii) solicits, requests, commands, encourages, or intentionally aides another to engage in the violation.

(2) A local industry representative licensee shall display its license in the local industry representative licensee's principal place of business.

(3) (a) A local industry representative licensee shall maintain on file with the department a current accounts list of the names and addresses of the manufacturers, suppliers, and importers the local industry representative licensee represents.

(b) A local industry representative licensee shall notify the department in writing of a change to its accounts list within 14 days from the date the local industry representative licensee:

(i) acquires the account of a manufacturer, supplier, or importer; or

(ii) loses the account of a manufacturer, supplier, or importer.

(4) (a) A local industry representative licensee shall make and maintain the records the department requires for at least three years.

(b) Section 32B-1-205 applies to a record required to be made or maintained in accordance with this Subsection (4).

(5) Staff of a local industry representative licensee may not be:

(a) a retail licensee that sells, offers for sale, or furnishes liquor;

(b) staff of a retail licensee that sells, offers for sale, or furnishes liquor; or

(c) a minor.

(6) (a) A local representative licensee may not sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the license to another person, whether for monetary gain or not.

(b) A local industry representative license has no monetary value for any type of disposition.

(7) A local industry representative licensee, staff of the local industry representative licensee, or staff of a manufacturer, supplier, or importer who is conducting business in the state:

(a) only to the extent authorized by Chapter 4, Criminal Offenses and Procedure Act, may:

(i) assist the department in:

(A) ordering, shipping, and delivering merchandise;

(B) providing new product notification;

(C) obtaining listing and delisting information;

(D) receiving price quotations;

(E) providing product sales analysis;

(F) conducting shelf management; and

(G) conducting educational seminars; and

(ii) to acquire new listings:

(A) solicit orders from the department; and

(B) submit to the department price lists and samples of the products of the manufacturer, supplier, or importer;

(b) may not sell liquor within the state except to:

(i) the department; and

(ii) a military installation;

(c) may not ship or transport, or cause to be shipped or transported, liquor into this state or from one place to another within this state;

(d) may not sell or furnish any liquor to any person within this state other than to:

(i) the department; or

(ii) a military installation;

(e) except as otherwise provided, may not advertise a product the local industry representative licensee represents in violation of this title or any other federal or state law;

(f) shall comply with the trade practices provided in Chapter 4, Part 7, Trade Practices Act; and

(g) may only provide a sample of a product of the manufacturer, supplier, or importer for tasting and sampling purposes as provided in Section 32B-4-705 by the department.

(8) A local industry representative licensee may, to become educated as to the quality and characteristics of a liquor that the licensee represents, taste and analyze an industry representative sample under the conditions listed in this Subsection (8).

(a) A local industry representative licensee may not receive more than two industry representative samples of a particular type, vintage, and production lot of a particular branded product within a consecutive 120-day period.

(b) (i) An industry representative sample of liquor may not exceed one liter.

(ii) Notwithstanding Subsection (8)(b)(i), an industry representative sample of the following may not exceed 1.5 liters unless that exact product is only commercially packaged in a larger size, not to exceed 5 liters:

(A) wine;

(B) heavy beer; or

(C) a flavored malt beverage.

- (c) An industry representative sample may only be of a product not presently listed on the department's sales list.
- (d) (i) An industry representative sample shall be shipped:
  - (A) prepaid by the manufacturer, supplier, or importer;
  - (B) by common carrier and not via United States mail; and
  - (C) directly to the department's central administrative warehouse office.
 (ii) An industry representative sample may not be shipped to any other location within the state.
- (e) An industry representative sample shall be accompanied by a letter from the manufacturer, supplier, or importer:
  - (i) clearly identifying the product as an "industry representative sample"; and
  - (ii) clearly stating:
    - (A) the FOB case price of the product; and
    - (B) the name of the local industry representative for whom it is intended.
- (f) The department shall assess a reasonable handling, labeling, and storage fee for each industry representative sample received.
- (g) The department shall affix to a container a label clearly identifying the product as an "industry representative sample."
- (h) The department shall:
  - (i) account for and record each industry representative sample received;
  - (ii) account for the industry representative sample's disposition; and
  - (iii) maintain a record of the industry representative sample and its disposition for a two-year period.
- (i) An industry representative sample may not leave the premises of the department's central administrative warehouse office.
- (j) A local industry representative licensee's and a local industry representative licensee's staff may, at regularly scheduled days and times established by the department, taste and analyze one or more industry representative samples on the premises of the department's central administrative warehouse office.
- (k) The department shall destroy the unused contents of an opened product remaining after a product is sampled under controlled and audited conditions established by the department.
- (l) An industry representative sample that is not tasted within 30 days of receipt by the department shall be disposed of at the discretion of the department in one of the following ways:
  - (i) the contents destroyed under controlled and audited conditions established by the department; or
  - (ii) added to the inventory of the department for sale to the public.

**32B-11-609. Notifying department of change in ownership.**

The commission may suspend or revoke a local industry representative license if a local industry representative licensee does not immediately notify the department of a change in:

- (1) ownership of the business;
- (2) for a corporate owner, the:
  - (a) corporate officers or directors; or
  - (b) shareholders holding at least 20% of the total issued and outstanding stock of the corporation; or
- (3) for a limited liability company:
  - (a) managers; or
  - (b) members owning at least 20% of the limited liability company.