

**UTAH DEPARTMENT OF ALCOHOLIC
BEVERAGE CONTROL**

LICENSEE HANDBOOK

**On-Premise Beer
Tavern**

UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

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TO ALL LICENSEES:

As a licensee of the Utah Department of Alcoholic Beverage Control, you should be aware of the responsibilities, procedures, and potential liabilities regarding the sale and service of alcoholic beverages.

This handbook has been prepared to help you with the lawful handling of alcoholic beverages. Please review this information and keep the handbook available for reference. Previously issued handbooks should be discarded.

Our website, www.abc.utah.gov has information about the liquor laws and rules (with direct links to the complete code and administrative rules), stores and agencies, products and prices, server training, and other interesting links. The website is regularly updated. Please review the website for information and services as they are developed.

It is our responsibility and desire to be of service and assistance. If you have questions after consulting the handbook, please call 977-6800, write or e-mail (hotline@utah.gov) the compliance division of this department.

The Licensing and Compliance Division
Department of Alcoholic Beverage Control

**UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
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A. TAVERN SUMMARY

A state on-premise beer retailer tavern license allows the sale of beer at retail for on-premise consumption at a tavern. The state license is in addition to any beer license required by a local government. A tavern includes the following establishments that are engaged primarily in the retail sale of beer for consumption on the establishment's premises: a beer bar, a parlor, a lounge, a cabaret, or a nightclub. Only one tavern license is required for each building or resort facility owned or leased by the same applicant. Licenses run from March 1 to the last day of February. There is a quota on the number of tavern licenses of one per 54,147 people in the state. Liquor and flavored malt beverages may not be stored or sold on the premises of a tavern.

Purchases of Beer

- Tavern licensees must purchase, acquire, possess for resale, or sell beer that has been lawfully purchased from a Utah wholesaler who is authorized to sell beer in the geographical area in which the tavern is located, or from a small brewer (manufactures less than 60,000 barrels per year).

Sale and Service of Beer

- Beer may be sold and served in open containers in any size not exceeding 2 liters and on draft.
- Beer may be sold to an individual patron only in a container that does not exceed one liter.
- Beer may be sold by the pitcher (larger than one liter and up to two liters) to two or more patrons.
- Beer sold in sealed containers may be removed from the beer retailer's premise.

Sales and Consumption Hours

- Beer may be sold from 10 a.m. until 1 a.m.
- Taverns must remain open an extra hour after alcohol sales and service have ended to allow a patron to finish consuming any single serving of beer not exceeding 26 ounces purchased before sales ended. Taverns do not have to remain open after all patrons have vacated the premises, or during an emergency.
- *Hours of Consumption.* Consumption of beer in taverns is prohibited between the hours of 2 a.m. and 10 a.m.

Discounting Practices Prohibited

- Beer may not be sold at a discount at any time.
- Discounting practices are prohibited that encourage over-consumption of alcohol (i.e. "happy hours", "two for ones", combination pricing, "all you can drink for a set price", free alcohol, or selling at less than cost).
- A tavern licensee or employee may not purchase an alcoholic beverage for a patron.

Consumption on the Premises

- An open container primarily used for drinking purposes and containing beer, may not be removed from the premises.

Minors

- Minors may not be employed by or allowed on the premises of a tavern.

Employees

- Any employee who sells, serves, dispenses, or handles beer must be twenty one years of age or older.
- Employees may not consume or be under the influence of alcoholic beverages while on duty.
- Servers of alcohol must wear a unique identification badge showing the employee's first name, initials, or a number assigned by the employer.
- Managers, supervisors, and employees who serve alcohol must take and pass an alcohol server training seminar every three years and must complete the training within 30 days of commencing employment.

Employee Fines

- The commission is authorized to assess an administrative fine against an officer, employee, or agent of a licensee for a violation of the alcoholic beverage laws.

Electronic Age Verification by Tavern Licensees (ID Scanners)

- Taverns must electronically verify age before anyone who appears to be 35 years of age or younger may gain admittance.
- Taverns must be able to read, print, or download the data in the ID scanners. Tavern owners/managers should have the knowledge and capability to produce the data upon request of a peace officer or authorized representative of the DABC.
- The DABC does not provide a list of approved scanners. ID scanners (electronic age verification devices) are available from multiple manufacturers and vendors. An ID scanner selected by a tavern licensee must meet the requirements of rule R81-5-18 (<http://www.rules.utah.gov/publicat/code/r081/r081-05.htm#T16>) and is summarized below.
- An electronic age verification device:
 - (a) must be able to read a magnetic stripe and a two dimensional (“2d”) bar code, or an alternate technology capable of electronically verifying the proof of age; and
 - (b) shall be able to read a valid state issued driver’s license or identification card, a valid military identification card, or a valid passport;
 - (c) shall have a screen that displays no more than a person’s name, age, ID number, birth date, gender, ID status & expiration date; and
 - (d) shall be able to electronically store the name, age, ID number, birth date, gender, ID status & expiration date for seven days (168 hours) including the time and date the proof of age was scanned.
- If the proof of age cannot be scanned electronically, an alternative method of verifying an individual’s proof of age shall include a record or log showing the type, number, and expiration date of the ID; the date the ID was presented, the individual’s name and date of birth.
- Any data collected either electronically or otherwise, may only be used for the purpose of verifying an individual’s proof of age and may not be retained by the licensee in a data base for mailing, advertising, or promotional activity, to acquire personal information to make inappropriate personal contact with the individual, and shall be retained for a period of seven days from the date on which it was acquired, after which it must be deleted. The data collected may be acquired by law enforcement, or other investigative agencies.

“Brown Bagging”

- Patrons may not bring in or store alcoholic beverages on the premises.

Advertising

- Beer advertising must comply with the guidelines in Rule R81-1-17:
<http://www.rules.utah.gov/publicat/code/r081/r081-01.htm#T16>

Warning Sign

- Each tavern licensee shall display, in a prominent place, a sign no smaller than eight and one half inches high by eleven inches wide stating: *“WARNING - Drinking alcoholic beverages during pregnancy can cause birth defects and permanent brain damage for the child. Call the Utah Department of Health at 1-800-822-2229 with questions or for more information. Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah.”* The two warning messages shall be in the same font size but different font styles that are no smaller than 36 point bold. The font size for the health department contact information shall be no smaller than 20 point bold.

Prohibited Conduct

- Lewd acts, attire, and sexually oriented conduct of employees and entertainers that are considered contrary to public welfare and morals are prohibited on the premises. See Utah Code 32B-1-501 through 506:
<http://www.le.utah.gov/UtahCode/section.jsp?code=32B-1>
- Gambling – Licensees may not engage in or permit any form of gambling on its premises.
- Illegal drugs or drug paraphernalia - A retail licensee may not knowingly allow a person on the licensed premises to sell, distribute, possess, or use a controlled substance; or use, deliver, or possess with the intent to deliver drug paraphernalia. See Utah Code 32B-5-301(5): http://le.utah.gov/~code/TITLE32B/htm/32B05_030100.htm

B. LAWS
TITLE 32B- ALCOHOLIC BEVERAGE CONTROL ACT
(Updated through July 2011)

The complete Alcoholic Beverage Control Act is available through our website
<http://abc.utah.gov/>

32B-1-102 Definitions.

As used in this title:

- (1) "Airport lounge" means a business location:
 - (a) at which an alcoholic product is sold at retail for consumption on the premises; and
 - (b) that is located at an international airport with a United States Customs office on the premises of the international airport.

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

- (3) "Alcoholic beverage" means the following:
 - (a) beer; or
 - (b) liquor.

- (4) (a) "Alcoholic product" means a product that:
 - (i) contains at least .5% of alcohol by volume; and
 - (ii) is obtained by fermentation, infusion, decoction, brewing, distillation, or other process that uses liquid or combinations of liquids, whether drinkable or not, to create alcohol in an amount equal to or greater than .5% of alcohol by volume.
 - (b) "Alcoholic product" includes an alcoholic beverage.
 - (c) "Alcoholic product" does not include any of the following common items that otherwise come within the definition of an alcoholic product:
 - (i) except as provided in Subsection (4)(d), an extract;
 - (ii) vinegar;
 - (iii) cider;
 - (iv) essence;
 - (v) tincture;
 - (vi) food preparation; or
 - (vii) an over-the-counter medicine.
 - (d) "Alcoholic product" includes an extract containing alcohol obtained by distillation when it is used as a flavoring in the manufacturing of an alcoholic product.

- (5) "Alcohol training and education seminar" means a seminar that is:
 - (a) required by Chapter 5, Part 4, Alcohol Training and Education Act; and
 - (b) described in Section 62A-15-401.

- (6) "Banquet" means an event:
 - (a) that is held at one or more designated locations approved by the commission in or on the premises of a:
 - (i) hotel;
 - (ii) resort facility;
 - (iii) sports center; or
 - (iv) convention center;
 - (b) for which there is a contract:
 - (i) between a person operating a facility listed in Subsection (6)(a) and another person; and
 - (ii) under which the person operating a facility listed in Subsection (6)(a) is required to provide an alcoholic product at the event; and
 - (c) at which food and alcoholic products may be sold, offered for sale, or furnished.

- (7) (a) "Bar" means a surface or structure:
- (i) at which an alcoholic product is:
 - (A) stored; or
 - (B) dispensed; or
 - (ii) from which an alcoholic product is served.
- (b) "Bar structure" means a surface or structure on a licensed premises if on or at any place of the surface or structure an alcoholic product is:
- (i) stored; or
 - (ii) dispensed.
- (8) (a) Subject to Subsection (8)(d), "beer" means a product that:
- (i) contains at least .5% of alcohol by volume, but not more than 4% of alcohol by volume or 3.2% by weight; and
 - (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- (b) "Beer" may or may not contain hops or other vegetable products.
- (c) "Beer" includes a product that:
- (i) contains alcohol in the percentages described in Subsection (8)(a); and
 - (ii) is referred to as:
 - (A) beer;
 - (B) ale;
 - (C) porter;
 - (D) stout;
 - (E) lager; or
 - (F) a malt or malted beverage.
- (d) "Beer" does not include a flavored malt beverage.
- (9) "Beer-only restaurant license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 9, Beer-only Restaurant License.
- (10) "Beer retailer" means a business:
- (a) that is engaged, primarily or incidentally, in the retail sale of beer to a patron, whether for consumption on or off the business premises; and
 - (b) to whom a license is issued:
 - (i) for an off-premise beer retailer, in accordance with Chapter 7, Part 2, Off-premise Beer Retailer Local Authority; or
 - (ii) for an on-premise beer retailer, in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-premise Beer Retailer License.
- (11) "Beer wholesaling license" means a license:
- (a) issued in accordance with Chapter 13, Beer Wholesaling License Act; and
 - (b) to import for sale, or sell beer in wholesale or jobbing quantities to one or more retail licensees or off-premise beer retailers.
- (12) "Billboard" means a public display used to advertise, including:
- (a) a light device;
 - (b) a painting;
 - (c) a drawing;
 - (d) a poster;
 - (e) a sign;
 - (f) a signboard; or
 - (g) a scoreboard.
- (13) "Brewer" means a person engaged in manufacturing:
- (a) beer;
 - (b) heavy beer; or
 - (c) a flavored malt beverage.

- (14) "Brewery manufacturing license" means a license issued in accordance with Chapter 11, Part 5, Brewery Manufacturing License.
- (15) "Certificate of approval" means a certificate of approval obtained from the department under Section 32B-11-201.
- (16) "Chartered bus" means a passenger bus, coach, or other motor vehicle provided by a bus company to a group of persons pursuant to a common purpose:
- (a) under a single contract;
 - (b) at a fixed charge in accordance with the bus company's tariff; and
 - (c) to give the group of persons the exclusive use of the passenger bus, coach, or other motor vehicle, and a driver to travel together to one or more specified destinations.
- (17) "Church" means a building:
- (a) set apart for worship;
 - (b) in which religious services are held;
 - (c) with which clergy is associated; and
 - (d) that is tax exempt under the laws of this state.
- (18) (a) "Club license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 4, Club License.
- (b) "Club license" includes:
- (i) a dining club license;
 - (ii) an equity club license;
 - (iii) a fraternal club license; or
 - (iv) a social club license.
- (19) "Commission" means the Alcoholic Beverage Control Commission created in Section 32B-2-201.
- (20) "Commissioner" means a member of the commission.
- (21) "Community location" means:
- (a) a public or private school;
 - (b) a church;
 - (c) a public library;
 - (d) a public playground; or
 - (e) a public park.
- (22) "Community location governing authority" means:
- (a) the governing body of the community location; or
 - (b) if the commission does not know who is the governing body of a community location, a person who appears to the commission to have been given on behalf of the community location the authority to prohibit an activity at the community location.
- (23) "Container" means a receptacle that contains an alcoholic product, including:
- (a) a bottle;
 - (b) a vessel; or
 - (c) a similar item.
- (24) "Convention center" means a facility that is:
- (a) in total at least 30,000 square feet; and
 - (b) otherwise defined as a "convention center" by the commission by rule.
- (25) (a) Subject to Subsection (25)(b), "counter" means a surface or structure in a dining area of a licensed premises where seating is provided to a patron for service of food.

(b) "Counter" does not include a surface or structure if on or at any point of the surface or structure an alcoholic product is:

- (i) stored; or
- (ii) dispensed.

(26) "Department" means the Department of Alcoholic Beverage Control created in Section 32B-2-203.

(27) "Department compliance officer" means an individual who is:

- (a) an auditor or inspector; and
- (b) employed by the department.

(28) "Department sample" means liquor that is placed in the possession of the department for testing, analysis, and sampling.

(29) "Dining club license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 4, Club License, that is designated by the commission as a dining club license.

(30) "Director," unless the context requires otherwise, means the director of the department.

(31) "Disciplinary proceeding" means an adjudicative proceeding permitted under this title:

- (a) against a person subject to administrative action; and
- (b) that is brought on the basis of a violation of this title.

(32) (a) Subject to Subsection (32)(b), "dispense" means:

- (i) drawing of an alcoholic product:
 - (A) from an area where it is stored; or
 - (B) as provided in Subsection 32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii), 32B-6-805(15)(b)(ii), or 32B-6-905(12)(b)(ii); and
- (ii) using the alcoholic product described in Subsection (32)(a)(i) on the premises of the licensed premises to mix or prepare an alcoholic product to be furnished to a patron of the retail licensee.

(b) The definition of "dispense" in this Subsection (32) applies only to:

- (i) a full-service restaurant license;
- (ii) a limited-service restaurant license;
- (iii) a reception center license; and
- (iv) a beer-only restaurant license.

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

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

(35) "Educational facility" includes:

- (a) a nursery school;
- (b) an infant day care center; and
- (c) a trade and technical school.

(36) "Equity club license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 4, Club License, that is designated by the commission as an equity club license.

(37) "Event permit" means:

- (a) a single event permit; or
- (b) a temporary beer event permit.

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

- (39) (a) "Flavored malt beverage" means a beverage:
- (i) that contains at least .5% alcohol by volume;
 - (ii) that is treated by processing, filtration, or another method of manufacture that is not generally recognized as a traditional process in the production of a beer as described in 27 C.F.R. Sec. 25.55;
 - (iii) to which is added a flavor or other ingredient containing alcohol, except for a hop extract; and
 - (iv) (A) for which the producer is required to file a formula for approval with the federal Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 C.F.R. Sec. 25.55; or
(B) that is not exempt under Subdivision (f) of 27 C.F.R. Sec. 25.55.
- (b) "Flavored malt beverage" is considered liquor for purposes of this title.
- (40) "Fraternal club license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 4, Club License, that is designated by the commission as a fraternal club license.
- (41) "Full-service restaurant license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 2, Full-service Restaurant License.
- (42) (a) "Furnish" means by any means to provide with, supply, or give an individual an alcoholic product, by sale or otherwise.
- (b) "Furnish" includes to:
- (i) serve;
 - (ii) deliver; or
 - (iii) otherwise make available.
- (43) "Guest" means an individual who meets the requirements of Subsection 32B-6-407(9).
- (44) "Health care practitioner" means:
- (a) a podiatrist licensed under Title 58, Chapter 5a, Podiatric Physician Licensing Act;
 - (b) an optometrist licensed under Title 58, Chapter 16a, Utah Optometry Practice Act;
 - (c) a pharmacist licensed under Title 58, Chapter 17b, Pharmacy Practice Act;
 - (d) a physical therapist licensed under Title 58, Chapter 24b, Physical Therapy Practice Act;
 - (e) a nurse or advanced practice registered nurse licensed under Title 58, Chapter 31b, Nurse Practice Act;
 - (f) a recreational therapist licensed under Title 58, Chapter 40, Recreational Therapy Practice Act;
 - (g) an occupational therapist licensed under Title 58, Chapter 42a, Occupational Therapy Practice Act;
 - (h) a nurse midwife licensed under Title 58, Chapter 44a, Nurse Midwife Practice Act;
 - (i) a mental health professional licensed under Title 58, Chapter 60, Mental Health Professional Practice Act;
 - (j) a physician licensed under Title 58, Chapter 67, Utah Medical Practice Act;
 - (k) an osteopath licensed under Title 58, Chapter 68, Utah Osteopathic Medical Practice Act;
 - (l) a dentist or dental hygienist licensed under Title 58, Chapter 69, Dentist and Dental Hygienist Practice Act;
- and
- (m) a physician assistant licensed under Title 58, Chapter 70a, Physician Assistant Act.
- (45) (a) "Heavy beer" means a product that:
- (i) contains more than 4% alcohol by volume; and
 - (ii) is obtained by fermentation, infusion, or decoction of malted grain.
- (b) "Heavy beer" is considered liquor for the purposes of this title.
- (46) "Hotel" is as defined by the commission by rule.
- (47) "Identification card" means an identification card issued under Title 53, Chapter 3, Part 8, Identification Card Act.
- (48) "Industry representative" means an individual who is compensated by salary, commission, or other means for representing and selling an alcoholic product of a manufacturer, supplier, or importer of liquor.
- (49) "Industry representative sample" means liquor that is placed in the possession of the department for testing,

analysis, and sampling by a local industry representative on the premises of the department to educate the local industry representative of the quality and characteristics of the product.

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

- (a) law; or
- (b) court order.

(51) "Intoxicated" means that a person:

- (a) is significantly impaired as to the person's mental or physical functions as a result of the use of:
 - (i) an alcoholic product;
 - (ii) a controlled substance;
 - (iii) a substance having the property of releasing toxic vapors; or
 - (iv) a combination of Subsections (51)(a)(i) through (iii); and
- (b) exhibits plain and easily observed outward manifestations of behavior or physical signs produced by the over consumption of an alcoholic product.

(52) "Investigator" means an individual who is:

- (a) a department compliance officer; or
- (b) a nondepartment enforcement officer.

(53) "Invitee" is as defined in Section 32B-8-102.

(54) "License" means:

- (a) a retail license;
- (b) a license issued in accordance with Chapter 11, Manufacturing and Related Licenses Act;
- (c) a license issued in accordance with Chapter 12, Liquor Warehousing License Act; or
- (d) a license issued in accordance with Chapter 13, Beer Wholesaling License Act.

(55) "Licensee" means a person who holds a license.

(56) "Limited-service restaurant license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 3, Limited-service Restaurant License.

(57) "Limousine" means a motor vehicle licensed by the state or a local authority, other than a bus or taxicab:

- (a) in which the driver and a passenger are separated by a partition, glass, or other barrier;
- (b) that is provided by a business entity to one or more individuals at a fixed charge in accordance with the business entity's tariff; and
- (c) to give the one or more individuals the exclusive use of the limousine and a driver to travel to one or more specified destinations.

(58) (a) (i) "Liquor" means a liquid that:

- (A) is:
 - (I) alcohol;
 - (II) an alcoholic, spirituous, vinous, fermented, malt, or other liquid;
 - (III) a combination of liquids a part of which is spirituous, vinous, or fermented; or
 - (IV) other drink or drinkable liquid; and
 - (B) (I) contains at least .5% alcohol by volume; and
 - (II) is suitable to use for beverage purposes.
- (ii) "Liquor" includes:
- (A) heavy beer;
 - (B) wine; and
 - (C) a flavored malt beverage.
- (b) "Liquor" does not include beer.

(59) "Liquor Control Fund" means the enterprise fund created by Section 32B-2-301.

- (60) "Liquor warehousing license" means a license that is issued:
- (a) in accordance with Chapter 12, Liquor Warehousing License Act; and
 - (b) to a person, other than a licensed manufacturer, who engages in the importation for storage, sale, or distribution of liquor regardless of amount.
- (61) "Local authority" means:
- (a) for premises that are located in an unincorporated area of a county, the governing body of a county; or
 - (b) for premises that are located in an incorporated city or a town, the governing body of the city or town.
- (62) "Lounge or bar area" is as defined by rule made by the commission.
- (63) "Manufacture" means to distill, brew, rectify, mix, compound, process, ferment, or otherwise make an alcoholic product for personal use or for sale or distribution to others.
- (64) "Member" means an individual who, after paying regular dues, has full privileges in an equity club licensee or fraternal club licensee.
- (65) (a) "Military installation" means a base, air field, camp, post, station, yard, center, or homeport facility for a ship:
- (i) (A) under the control of the United States Department of Defense; or
(B) of the National Guard;
 - (ii) that is located within the state; and
 - (iii) including a leased facility.
- (b) "Military installation" does not include a facility used primarily for:
- (i) civil works;
 - (ii) a rivers and harbors project; or
 - (iii) a flood control project.
- (66) "Minor" means an individual under the age of 21 years.
- (67) "Nondepartment enforcement agency" means an agency that:
- (a) (i) is a state agency other than the department; or
(ii) is an agency of a county, city, or town; and
 - (b) has a responsibility to enforce one or more provisions of this title.
- (68) "Nondepartment enforcement officer" means an individual who is:
- (a) a peace officer, examiner, or investigator; and
 - (b) employed by a nondepartment enforcement agency.
- (69) (a) "Off-premise beer retailer" means a beer retailer who is:
- (i) licensed in accordance with Chapter 7, Part 2, Off-premise Beer Retailer Local Authority; and
 - (ii) engaged in the retail sale of beer to a patron for consumption off the beer retailer's premises.
- (b) "Off-premise beer retailer" does not include an on-premise beer retailer.
- (70) "On-premise banquet license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 6, On-premise Banquet License.
- (71) "On-premise beer retailer" means a beer retailer who is:
- (a) authorized to sell, offer for sale, or furnish beer under a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 7, On-premise Beer Retailer License; and
 - (b) engaged in the sale of beer to a patron for consumption on the beer retailer's premises:
 - (i) regardless of whether the beer retailer sells beer for consumption off the licensed premises; and
 - (ii) on and after March 1, 2012, operating:
 - (A) as a tavern; or
 - (B) in a manner that meets the requirements of Subsection 32B-6-703(2)(e)(i).

- (72) "Opaque" means impenetrable to sight.
- (73) "Package agency" means a retail liquor location operated:
- (a) under an agreement with the department; and
 - (b) by a person:
 - (i) other than the state; and
 - (ii) who is authorized by the commission in accordance with Chapter 2, Part 6, Package Agency, to sell packaged liquor for consumption off the premises of the package agency.
- (74) "Package agent" means a person who holds a package agency.
- (75) "Patron" means an individual to whom food, beverages, or services are sold, offered for sale, or furnished, or who consumes an alcoholic product including:
- (a) a customer;
 - (b) a member;
 - (c) a guest;
 - (d) an attendee of a banquet or event;
 - (e) an individual who receives room service;
 - (f) a resident of a resort;
 - (g) a public customer under a resort spa sublicense, as defined in Section 32B-8-102; or
 - (h) an invitee.
- (76) "Permittee" means a person issued a permit under:
- (a) Chapter 9, Event Permit Act; or
 - (b) Chapter 10, Special Use Permit Act.
- (77) "Person subject to administrative action" means:
- (a) a licensee;
 - (b) a permittee;
 - (c) a manufacturer;
 - (d) a supplier;
 - (e) an importer;
 - (f) one of the following holding a certificate of approval:
 - (i) an out-of-state brewer;
 - (ii) an out-of-state importer of beer, heavy beer, or flavored malt beverages; or
 - (iii) an out-of-state supplier of beer, heavy beer, or flavored malt beverages; or
 - (g) staff of:
 - (i) a person listed in Subsections (77)(a) through (f); or
 - (ii) a package agent.
- (78) "Premises" means a building, enclosure, or room used in connection with the storage, sale, furnishing, consumption, manufacture, or distribution, of an alcoholic product, unless otherwise defined in this title or rules made by the commission.
- (79) "Prescription" means an order issued by a health care practitioner when:
- (a) the health care practitioner is licensed under Title 58, Occupations and Professions, to prescribe a controlled substance, other drug, or device for medicinal purposes;
 - (b) the order is made in the course of that health care practitioner's professional practice; and
 - (c) the order is made for obtaining an alcoholic product for medicinal purposes only.
- (80) (a) "Private event" means a specific social, business, or recreational event:
- (i) for which an entire room, area, or hall is leased or rented in advance by an identified group; and
 - (ii) that is limited in attendance to people who are specifically designated and their guests.
- (b) "Private event" does not include an event to which the general public is invited, whether for an admission fee or not.

- (81) (a) "Proof of age" means:
- (i) an identification card;
 - (ii) an identification that:
 - (A) is substantially similar to an identification card;
 - (B) is issued in accordance with the laws of a state other than Utah in which the identification is issued;
 - (C) includes date of birth; and
 - (D) has a picture affixed;
 - (iii) a valid driver license certificate that:
 - (A) includes date of birth;
 - (B) has a picture affixed; and
 - (C) is issued:
 - (I) under Title 53, Chapter 3, Uniform Driver License Act; or
 - (II) in accordance with the laws of the state in which it is issued;
 - (iv) a military identification card that:
 - (A) includes date of birth; and
 - (B) has a picture affixed; or
 - (v) a valid passport.
- (b) "Proof of age" does not include a driving privilege card issued in accordance with Section 53-3-207.

- (82) (a) "Public building" means a building or permanent structure that is:
- (i) owned or leased by:
 - (A) the state; or
 - (B) a local government entity; and
 - (ii) used for:
 - (A) public education;
 - (B) transacting public business; or
 - (C) regularly conducting government activities.
- (b) "Public building" does not include a building owned by the state or a local government entity when the building is used by a person, in whole or in part, for a proprietary function.

(83) "Public conveyance" means a conveyance to which the public or a portion of the public has access to and a right to use for transportation, including an airline, railroad, bus, boat, or other public conveyance.

- (84) "Reception center" means a business that:
- (a) operates facilities that are at least 5,000 square feet; and
 - (b) has as its primary purpose the leasing of the facilities described in Subsection (84)(a) to a third party for the third party's event.

(85) "Reception center license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 8, Reception Center License.

- (86) (a) "Record" means information that is:
- (i) inscribed on a tangible medium; or
 - (ii) stored in an electronic or other medium and is retrievable in a perceivable form.
- (b) "Record" includes:
- (i) a book;
 - (ii) a book of account;
 - (iii) a paper;
 - (iv) a contract;
 - (v) an agreement;
 - (vi) a document; or
 - (vii) a recording in any medium.

(87) "Residence" means a person's principal place of abode within Utah.

- (88) "Resident," in relation to a resort, is as defined in Section 32B-8-102.
- (89) "Resort" is as defined in Section 32B-8-102.
- (90) "Resort facility" is as defined by the commission by rule.
- (91) "Resort license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 8, Resort License Act.
- (92) "Restaurant" means a business location:
- (a) at which a variety of foods are prepared;
 - (b) at which complete meals are served to the general public; and
 - (c) that is engaged primarily in serving meals to the general public.
- (93) "Retail license" means one of the following licenses issued under this title:
- (a) a full-service restaurant license;
 - (b) a limited-service restaurant license;
 - (c) a club license;
 - (d) an airport lounge license;
 - (e) an on-premise banquet license;
 - (f) an on-premise beer license;
 - (g) a reception center license; or
 - (h) a beer-only restaurant license.
- (94) "Room service" means furnishing an alcoholic product to a person in a guest room of a:
- (a) hotel; or
 - (b) resort facility.
- (95) "Serve" means to place an alcoholic product before an individual.
- (96) (a) "School" means a building used primarily for the general education of minors.
(b) "School" does not include an educational facility.
- (97) "Sell" or "offer for sale" means a transaction, exchange, or barter whereby, for consideration, an alcoholic product is either directly or indirectly transferred, solicited, ordered, delivered for value, or by a means or under a pretext is promised or obtained, whether done by a person as a principal, proprietor, or as staff, unless otherwise defined in this title or the rules made by the commission.
- (98) "Sexually oriented entertainer" means a person who while in a state of seminudity appears at or performs:
- (a) for the entertainment of one or more patrons;
 - (b) on the premises of:
 - (i) a social club licensee; or
 - (ii) a tavern;
 - (c) on behalf of or at the request of the licensee described in Subsection (98)(b);
 - (d) on a contractual or voluntary basis; and
 - (e) whether or not the person is designated as:
 - (i) an employee;
 - (ii) an independent contractor;
 - (iii) an agent of the licensee; or
 - (iv) a different type of classification.
- (99) "Single event permit" means a permit issued in accordance with Chapter 9, Part 3, Single Event Permit.
- (100) "Small brewer" means a brewer who manufactures less than 60,000 barrels of beer, heavy beer, and flavored malt beverages per year.

(101) "Social club license" means a license issued in accordance with Chapter 5, Retail License Act, and Chapter 6, Part 4, Club License, that is designated by the commission as a social club license.

(102) "Special use permit" means a permit issued in accordance with Chapter 10, Special Use Permit Act.

(103) (a) "Spirituous liquor" means liquor that is distilled.

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

(104) "Sports center" is as defined by the commission by rule.

(105) (a) "Staff" means an individual who engages in activity governed by this title:

- (i) on behalf of a business, including a package agent, licensee, permittee, or certificate holder;
- (ii) at the request of the business, including a package agent, licensee, permittee, or certificate holder; or
- (iii) under the authority of the business, including a package agent, licensee, permittee, or certificate

holder.

(b) "Staff" includes:

- (i) an officer;
- (ii) a director;
- (iii) an employee;
- (iv) personnel management;
- (v) an agent of the licensee, including a managing agent;
- (vi) an operator; or
- (vii) a representative.

(106) "State of nudity" means:

(a) the appearance of:

- (i) the nipple or areola of a female human breast;
- (ii) a human genital;
- (iii) a human pubic area; or
- (iv) a human anus; or

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

- (i) the nipple or areola of a female human breast;
- (ii) a human genital;
- (iii) a human pubic area; or
- (iv) a human anus.

(107) "State of seminudity" means a state of dress in which opaque clothing covers no more than:

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

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

- (i) with no less than the following at its widest point:
 - (A) four inches coverage width in the front of the human body; and
 - (B) five inches coverage width in the back of the human body; and
- (ii) with coverage that does not taper to less than one inch wide at the narrowest point.

(108) (a) "State store" means a facility for the sale of packaged liquor:

- (i) located on premises owned or leased by the state; and
- (ii) operated by a state employee.

(b) "State store" does not include:

- (i) a package agency;
- (ii) a licensee; or
- (iii) a permittee.

(109) (a) "Storage area" means an area on licensed premises where the licensee stores an alcoholic product.

(b) "Store" means to place or maintain in a location an alcoholic product from which a person draws to prepare

an alcoholic product to be furnished to a patron, except as provided in Subsection 32B-6-205(12)(b)(ii), 32B-6-305(12)(b)(ii), 32B-6-805(15)(b)(ii), or 32B-6-905(12)(b)(ii).

(110) "Sublicense" is as defined in Section 32B-8-102.

(111) "Supplier" means a person who sells an alcoholic product to the department.

(112) "Tavern" means an on-premise beer retailer who is:

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

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

(113) "Temporary beer event permit" means a permit issued in accordance with Chapter 9, Part 4, Temporary Beer Event Permit.

(114) "Temporary domicile" means the principal place of abode within Utah of a person who does not have a present intention to continue residency within Utah permanently or indefinitely.

(115) "Translucent" means a substance that allows light to pass through, but does not allow an object or person to be seen through the substance.

(116) "Unsaleable liquor merchandise" means a container that:

(a) is unsaleable because the container is:

(i) unlabeled;

(ii) leaky;

(iii) damaged;

(iv) difficult to open; or

(v) partly filled;

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

(ii) has contents that are:

(A) cloudy;

(B) spoiled; or

(C) chemically determined to be impure; or

(iii) contains:

(A) sediment; or

(B) a foreign substance; or

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

(117) (a) "Wine" means an alcoholic product obtained by the fermentation of the natural sugar content of fruits, plants, honey, or milk, or other like substance, whether or not another ingredient is added.

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

(118) "Winery manufacturing license" means a license issued in accordance with Chapter 11, Part 3, Winery Manufacturing License.

32B-1-402. Proof of Age Act: Definitions.

As used in this part:

(1) "Authorized person" means a person authorized by law to sell or otherwise handle an alcoholic product.

(2) "Restricted area" means a place where an alcoholic product is sold or consumed, but where under this title a minor is not permitted.

(3) "Statement of age" means a statement signed under Section 32B-1-405 verifying the age of the person signing the statement.

32B-1-405. Additional requirements when age is in question.

(1) (a) In addition to requesting the presentation of proof of age under Section 32B-1-404, an authorized person shall require an individual whose age is in question to sign a statement of age on the form provided under

Subsection (1)(b) that includes:

- (i) the date the statement of age is signed; and
- (ii) the number assigned to the individual's proof of age by the issuing authority.

(b) At the request of a retail licensee, the commissioner of public safety shall provide to a retail licensee the form for the statement of age described in this Subsection (1).

(2) (a) An authorized person shall:

(i) file in alphabetical order a statement of age obtained under Subsection (1) by no later than the close of business on the day on which the statement of age is executed; and

(ii) maintain a statement of age on file for three years.

(b) A statement of age is subject to examination by:

(i) a peace officer;

(ii) a representative of the State Bureau of Investigation of the Department of Public Safety, established in Section 53-10-301; or

(iii) an authorized department employee.

32B-1-407. Verification of proof of age by applicable licensees.

(1) As used in this section, "applicable licensee" means:

- (a) a dining club;
- (b) a social club; or
- (c) a tavern.

(2) Notwithstanding any other provision of this part, an applicable licensee shall require that an authorized person for the applicable licensee verify proof of age as provided in this section.

(3) An authorized person is required to verify proof of age under this section before an individual who appears to be 35 years of age or younger:

- (a) gains admittance to the premises of a social club licensee or tavern; or
- (b) procures an alcoholic product on the premises of a dining club licensee.

(4) To comply with Subsection (3), an authorized person shall:

(a) request the individual present proof of age; and

(b) (i) verify the validity of the proof of age electronically under the verification program created in Subsection (5); or

(ii) if the proof of age cannot be electronically verified as provided in Subsection (4)(b)(i), request that the individual comply with a process established by the commission by rule.

(5) The commission shall establish by rule an electronic verification program that includes the following:

(a) the specifications for the technology used by the applicable licensee to electronically verify proof of age, including that the technology display to the person described in Subsection (2) no more than the following for the individual who presents the proof of age:

- (i) the name;
- (ii) the age;
- (iii) the number assigned to the individual's proof of age by the issuing authority;
- (iv) the birth date;
- (v) the gender; and
- (vi) the status and expiration date of the individual's proof of age; and

(b) the security measures that shall be used by an applicable licensee to ensure that information obtained under this section is:

(i) used by the applicable licensee only for purposes of verifying proof of age in accordance with this section; and

(ii) retained by the applicable licensee for seven days after the day on which the applicable licensee obtains the information.

(6) (a) An applicable licensee may not disclose information obtained under this section except as provided under this title.

(b) Information obtained under this section is considered a record for any purpose under Chapter 5, Part 3, Retail Licensee Operational Requirements.

Retail Licensing Process

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

- (1) (a) Before a person may store, sell, offer for sale, furnish, or permit consumption of an alcoholic product on licensed premises as a retail licensee, the person shall first obtain a retail license issued by the commission, notwithstanding whether the person holds a local license or a permit issued by a local authority.
 - (b) Violation of this Subsection (1) is a class B misdemeanor.

- (2) To obtain a retail license under this title, a person shall submit to the department:
 - (a) a written application in a form prescribed by the department;
 - (b) a nonrefundable application fee in the amount specified in the relevant part under Chapter 6, Specific Retail License Act, for the type of retail license for which the person is applying;
 - (c) an initial license fee:
 - (i) in the amount specified in the relevant part under Chapter 6, Specific Retail License Act, for the type of retail license for which the person is applying; and
 - (ii) that is refundable if a retail license is not issued;
 - (d) written consent of the local authority;
 - (e) a copy of the person's current business license;
 - (f) evidence of proximity to any community location, with proximity requirements being governed by Section 32B-1-202;
 - (g) a bond as specified by Section 32B-5-204;
 - (h) a floor plan, and boundary map where applicable, of the premises of the retail license, including any:
 - (i) consumption area; and
 - (ii) area where the person proposes to store, sell, offer for sale, or furnish an alcoholic beverage;
 - (i) evidence that the retail licensee is carrying public liability insurance in an amount and form satisfactory to the department;
 - (j) evidence that the retail licensee is carrying dramshop insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
 - (k) a signed consent form stating that the retail licensee will permit any authorized representative of the commission, department, or any law enforcement officer to have unrestricted right to enter the premises of the retail licensee;
 - (l) 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
 - (m) any other information the commission or department may require.

- (3) The commission may not issue a retail license to a person who:
 - (a) is disqualified under Section 32B-1-304; or
 - (b) is not lawfully present in the United States.

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

32B-5-202. Renewal requirements.

- (1) A retail license expires each year on the day specified in the relevant part under Chapter 6, Specific Retail License Act, for that type of retail license.

- (2) To renew a person's retail license, a retail licensee shall, by no later than the day specified in the relevant part under Chapter 6, Specific Retail License Act, for the type of retail license that is being renewed, submit:
 - (a) a completed renewal application to the department in a form prescribed by the department; and
 - (b) a renewal fee in the amount specified in the relevant part under Chapter 6, Specific Retail License Act, for the type of retail license that is being renewed.

- (3) Failure to meet the renewal requirements results in an automatic forfeiture of the retail license effective on the date the existing retail license expires.

32B-5-203. Commission and department duties before issuing a retail license.

(1) (a) Before the commission may issue a retail 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 retail 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 retail license, the commission shall:

- (a) determine that the person filed a complete application and is in compliance with:
 - (i) Section 32B-5-201; and
 - (ii) the specific licensing requirements specified in the relevant part under Chapter 6, Specific Retail License Act, for the type of retail license for which the person is applying;
- (b) determine that the person is not disqualified under Section 32B-1-304;
- (c) consider the locality within which the proposed licensed premises is located, including:
 - (i) physical characteristics such as:
 - (A) condition of the licensed premises;
 - (B) square footage; and
 - (C) parking availability; and
 - (ii) operational factors such as:
 - (A) tourist traffic;
 - (B) demographics;
 - (C) population to be served;
 - (D) proximity to and density of other state stores, package agencies, and retail licensees; and
 - (E) the extent of and proximity to any community location;
- (d) consider the person's ability to manage and operate a retail license of the type for which the person is applying, including:
 - (i) management experience;
 - (ii) past retail alcoholic product experience; and
 - (iii) the type of management scheme to be used by the retail licensee;
- (e) consider the nature or type of retail licensee operation of the proposed retail licensee, including:
 - (i) the type of menu items that will be offered and emphasized;
 - (ii) whether the retail licensee will emphasize service to an adult clientele or to minors;
 - (iii) the proposed hours of operation;
 - (iv) the seating capacity of the premises; and
 - (v) the estimated gross sales of food items; and
 - (f) consider any other factor the commission considers necessary.

32B-5-204. Bond for retail license.

(1) (a) A retail licensee shall post a cash bond or surety bond:

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

(ii) payable to the department.

(b) A retail licensee shall procure and maintain the bond required under this section for as long as the retail licensee continues to operate as a retail licensee.

(2) A bond required under this section shall be:

(a) in a form approved by the attorney general; and

(b) conditioned upon the retail licensee's faithful compliance with this title and the rules of the commission.

(3) (a) If a surety bond posted by a retail licensee under this section is canceled due to the retail licensee's negligence, the department may assess a \$300 reinstatement fee.

(b) No part of a bond posted by a retail licensee under this section may be withdrawn:

(i) during the period the retail license is in effect; or

(ii) while a revocation proceeding is pending against the retail licensee.

- (4) (a) A bond posted under this section by a retail licensee may be forfeited if the retail license is revoked.
(b) Notwithstanding Subsection (4)(a), the department may make a claim against a bond posted by a retail licensee for money owed the department under this title without the commission first revoking the retail license.

32B-5-206. Seasonal retail license.

- (1) If authorized in the relevant part under Chapter 6, Specific Retail License Act, for the type of retail license, the commission may in accordance with this section issue a seasonal retail license located in an area the commission considers proper.
- (2) (a) A seasonal retail license shall be for a period of six consecutive months.
(b) A seasonal retail license issued for operation during a summer time period is known as a "Seasonal A" retail license. The period of operation for a Seasonal A retail license:
(i) begins on May 1; and
(ii) ends on October 31.
(c) A seasonal retail license issued for operation during a winter time period is known as a "Seasonal B" retail license. The period of operation for a Seasonal B retail license:
(i) begins on November 1; and
(ii) ends on April 30.
- (3) In determining the number of each type of retail license that the commission may issue under the relevant part under Chapter 6, Specific Retail License Act:
(a) a seasonal retail license is counted as one-half of one retail license of the specific type of retail license; and
(b) each Seasonal A retail license shall be paired with a Seasonal B retail license of the same type of retail license.

Part 3
Retail Licensing Operational Requirements

32B-5-301. General operational requirements.

- (1) (a) A retail licensee and staff of a retail licensee shall comply with this title and the rules of the commission, including the relevant part under Chapter 6, Specific Retail License Act, for the specific type of retail license.
(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:
(i) a retail licensee;
(ii) individual staff of a retail licensee; or
(iii) both a retail licensee and staff of the retail licensee.
- (2) (a) If there is a conflict between this part and the relevant part under Chapter 6, Specific Retail License Act, for the specific type of retail license, the relevant part under Chapter 6 governs.
(b) Notwithstanding that this part refers to "liquor" or an "alcoholic product," a retail licensee may only sell, offer for sale, furnish, or allow the consumption of an alcoholic product specifically authorized by the relevant part under Chapter 6, Specific Retail License Act.
(c) Notwithstanding that this part or the relevant part under Chapter 6, Specific Retail License Act, refers to "retail licensee," staff of the retail licensee is subject to the same requirement or prohibition.
- (3) (a) A retail licensee shall display in a prominent place in the licensed premises the retail license that is issued by the department.
(b) A retail licensee shall display in a prominent place a sign in large letters that consists of text in the following order:
(i) a header that reads: "WARNING";
(ii) a warning statement that reads: "Drinking alcoholic beverages during pregnancy can cause birth defects and permanent brain damage for the child.";
(iii) a statement in smaller font that reads: "Call the Utah Department of Health at [insert most current toll-free number] with questions or for more information.";

(iv) a header that reads: "WARNING"; and
(v) a warning statement that reads: "Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah."

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

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

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

(4) A retail licensee may not on the licensed premises:

(a) engage in or permit any form of gambling, as defined and proscribed in Title 76, Chapter 10, Part 11, Gambling;

(b) have any video gaming device, as defined and proscribed by Title 76, Chapter 10, Part 11, Gambling; or

(c) engage in or permit a contest, game, gaming scheme, or gaming device that requires the risking of something of value for a return or for an outcome when the return or outcome is based upon an element of chance, excluding the playing of an amusement device that confers only an immediate and unrecorded right of replay not exchangeable for value.

(5) A retail licensee may not knowingly allow a person on the licensed premises to, in violation of Title 58, Chapter 37, Utah Controlled Substances Act, or Chapter 37a, Utah Drug Paraphernalia Act:

(a) sell, distribute, possess, or use a controlled substance, as defined in Section 58-37-2; or

(b) use, deliver, or possess with the intent to deliver drug paraphernalia, as defined in Section 58-37a-3.

(6) Upon the presentation of credentials, at any time during which a retail licensee is open for the transaction of business, the retail licensee shall immediately:

(a) admit a commissioner, authorized department employee, or law enforcement officer to the retail licensee's premises; and

(b) permit, without hindrance or delay, the person described in Subsection (6)(a) to inspect completely:

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

(ii) the records of the retail licensee.

(7) An individual may not consume an alcoholic product on the licensed premises of a retail licensee on any day during the period:

(a) beginning one hour after the time of day that the period during which a retail licensee may not sell, offer for sale, or furnish an alcoholic product on the licensed premises begins; and

(b) ending at the time specified in the relevant part under Chapter 6, Specific Retail License Act, for the type of retail license when the retail licensee may first sell, offer for sale, or furnish an alcoholic product on the licensed premises on that day.

32B-5-302. Recordkeeping.

(1) A retail licensee shall make and maintain a record showing in detail:

(a) quarterly expenditures made separately for:

(i) malt or brewed beverages;

(ii) liquor;

(iii) set-ups;

(iv) food; and

(v) any other item required by the department; and

(b) sales made separately for:

(i) malt or brewed beverages;

(ii) set-ups;

(iii) food; and

(iv) any other item required by the department.

(2) A retail licensee shall make and maintain a record required by Subsection (1):

(a) in a form approved by the department; and

(b) current for each three-month period.

(3) A retail licensee shall support an expenditure by:

- (a) a delivery ticket;
- (b) an invoice;
- (c) a receipted bill;
- (d) a canceled check;
- (e) a petty cash voucher; or
- (f) other sustaining datum or memorandum.

(4) In addition to a record required under Subsection (1), a retail licensee shall make and maintain any other record the department may require.

(5) (a) A record of a retail licensee is subject to inspection by an authorized representative of the commission and the department.

(b) A retail licensee shall allow the department, through an auditor or examiner of the department, to audit the records of the retail licensee at times the department considers advisable.

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

32B-5-303. Purchase and storage of an alcoholic product by a retail licensee.

(1) (a) A retail licensee may not purchase liquor except from a state store or package agency.

(b) A retail licensee may transport liquor purchased from a state store or package agency from the place of purchase to the licensed premises.

(c) A retail licensee shall pay for liquor in accordance with rules established by the commission.

(2) (a) (i) A retail licensee may not purchase, acquire, possess for the purpose of resale, or sell beer except beer that the retail licensee purchases from:

- (A) a beer wholesaler licensee; or
- (B) a small brewer that manufactures the beer.

(ii) Violation of this Subsection (2)(a) is a class A misdemeanor.

(b) (i) If a retail licensee purchases beer under Subsection (2)(a) from a beer wholesaler licensee, the retail licensee shall purchase beer only from a beer wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area in which the retail licensee is located, unless an alternate wholesaler is authorized by the department to sell to the retail licensee as provided in Section 32B-13-301.

(ii) Violation of Subsection (2)(b) is a class B misdemeanor.

(3) A retail licensee may not store, sell, offer for sale, or furnish an alcoholic product in a place other than as designated in the retail licensee's application, unless the retail licensee first applies for and receives approval from the department for a change of location within the licensed premises.

(4) A liquor storage area shall remain locked at all times other than those hours and days when liquor sales are authorized by law.

32B-5-304. Portions in which alcoholic product may be sold.

(1) A retail licensee may sell, offer for sale, or furnish a primary spirituous liquor only in a quantity that does not exceed 1.5 ounces per beverage dispensed through a calibrated metered dispensing system approved by the department in accordance with commission rules adopted under this title, except that:

(a) spirituous liquor need not be dispensed through a calibrated metered dispensing system if used as a secondary flavoring ingredient in a beverage subject to the following requirements:

(i) the secondary ingredient may be dispensed only in conjunction with the purchase of a primary spirituous liquor;

(ii) the secondary ingredient may not be the only spirituous liquor in the beverage;

(iii) the retail licensee shall designate a location where flavorings are stored on the floor plan submitted to the department; and

(iv) a flavoring container shall be plainly and conspicuously labeled "flavorings";

(b) spirituous liquor need not be dispensed through a calibrated metered dispensing system if used:

- (i) as a flavoring on a dessert; and
- (ii) in the preparation of a flaming food dish, drink, or dessert; and
- (c) a patron may have no more than 2.5 ounces of spirituous liquor at a time.

(2) (a) (i) A retail licensee may sell, offer for sale, or furnish wine by the glass or in an individual portion that does not exceed 5 ounces per glass or individual portion.

(ii) A retail licensee may sell, offer for sale, or furnish an individual portion of wine to a patron in more than one glass if the total amount of wine does not exceed 5 ounces.

(b) (i) A retail licensee may sell, offer for sale, or furnish wine in a container not exceeding 1.5 liters at a price fixed by the commission to a table of four or more persons.

(ii) A retail licensee may sell, offer for sale, or furnish wine in a container not to exceed 750 milliliters at a price fixed by the commission to a table of less than four persons.

(3) A retail licensee may sell, offer for sale, or furnish heavy beer in an original container at a price fixed by the commission, except that the original container may not exceed one liter.

(4) A retail licensee may sell, offer for sale, or furnish a flavored malt beverage in an original container at a price fixed by the commission, except that the original container may not exceed one liter.

(5) (a) Subject to Subsection (5)(b), a retail licensee may sell, offer for sale, or furnish beer for on-premise consumption:

(i) in an open original container; and

(ii) in a container on draft.

(b) A retail licensee may not sell, offer for sale, or furnish beer under Subsection (5)(a):

(i) in a size of container that exceeds two liters; or

(ii) to an individual patron in a size of container that exceeds one liter.

32B-5-305. Pricing of alcoholic product -- Other charge.

(1) (a) A retail licensee may sell, offer for sale, or furnish liquor only at a price fixed by the commission.

(b) A retail licensee may not sell an alcoholic product at a discount price on any date or at any time.

(2) (a) A retail licensee may not sell, offer for sale, or furnish an alcoholic product at less than the cost of the alcoholic product to the retail licensee.

(b) A retail licensee may not sell, offer for sale, or furnish an alcoholic product at a special or reduced price that encourages over consumption or intoxication.

(c) A retail licensee may not sell, offer for sale, or furnish an alcoholic product at a special or reduced price for only certain hours of the retail licensee's business day, such as a "happy hour."

(d) A retail licensee may not sell, offer for sale, or furnish more than one alcoholic product for the price of a single alcoholic product.

(e) A retail licensee may not sell, offer for sale, or furnish an indefinite or unlimited number of alcoholic products during a set period for a fixed price.

(f) A retail licensee may not engage in a promotion involving or offering a free alcoholic product to the general public.

(3) As authorized by commission rule, a retail licensee may charge a patron for providing:

(a) a service related to liquor purchased at the licensed premises; or

(b) wine service performed for wine carried in by a patron in accordance with Section 32B-5-307.

32B-5-306. Purchasing or selling alcoholic product.

(1) A retail licensee may not sell, offer for sale, or furnish an alcoholic product to:

(a) a minor;

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

(c) a known interdicted person; or

(d) a known habitual drunkard.

- (2) (a) A patron may only purchase an alcoholic product in the licensed premises of a retail licensee from and be served by an individual who is:
- (i) staff of the retail licensee; and
 - (ii) designated and trained by the retail licensee to sell and serve an alcoholic product.
- (b) An individual may sell, offer for sale, or furnish an alcoholic product to a patron only if the individual is:
- (i) staff of the retail licensee; and
 - (ii) designated and trained by the retail licensee to sell and serve an alcoholic product.
- (c) Notwithstanding Subsection (2)(a) or (b), a patron who purchases bottled wine from staff of the retail licensee or carries bottled wine onto the retail licensee's premises pursuant to Section 32B-5-307 may thereafter serve wine from the bottle to the patron or others at the patron's table.
- (3) The following may not purchase an alcoholic product for a patron:
- (a) a retail licensee; or
 - (b) staff of a retail licensee.

32B-5-307. Bringing onto or removing alcoholic product from premises.

- (1) Except as provided in Subsection (3):
- (a) A person may not bring onto the licensed premises of a retail licensee an alcoholic product for on-premise consumption.
 - (b) A retail licensee may not allow a person to:
 - (i) bring onto licensed premises an alcoholic product for on-premise consumption; or
 - (ii) consume an alcoholic product brought onto the licensed premises by a person other than the retail licensee.
- (2) Except as provided in Subsection (3):
- (a) A person may not carry from a licensed premises of a retail licensee an open container that:
 - (i) is used primarily for drinking purposes; and
 - (ii) contains an alcoholic product.
 - (b) A retail licensee may not permit a patron to carry from the licensed premises an open container described in Subsection (2)(a).
- (3) (a) A patron may bring a bottled wine onto the premises of a retail licensee for on-premise consumption if:
- (i) permitted by the retail licensee; and
 - (ii) the retail licensee is authorized to sell, offer for sale, or furnish wine.
- (b) If a patron carries bottled wine onto the licensed premises of a retail licensee, the patron shall deliver the bottled wine to a server or other representative of the retail licensee upon entering the licensed premises.
- (c) A retail licensee authorized to sell, offer for sale, or furnish wine, may provide a wine service for a bottled wine carried onto the licensed premises in accordance with this Subsection (3).
- (d) A patron may remove from a licensed premises the unconsumed contents of a bottle of wine purchased in the licensed premises, or brought onto the licensed premises in accordance with this Subsection (3), only if before removal the bottle is recorked or recapped.

32B-5-308. Requirements on staff or others on premises -- Employing a minor.

- (1) Staff of a retail licensee, while on duty, may not:
- (a) consume an alcoholic product; or
 - (b) be intoxicated.
- (2) (a) A retail licensee may not employ a minor to sell, offer for sale, furnish, or dispense an alcoholic product.
- (b) Notwithstanding Subsection (2)(a), unless otherwise prohibited in the provisions related to the specific type of retail license, a retail licensee may employ a minor who is at least 16 years of age to enter the sale at a cash register or other sales recording device.

32B-5-309 (Superseded 07/01/12) Ceasing operation -- Prohibiting transfer of license.

- (1) (a) Except as provided in Subsection (1)(h), a retail licensee may not close or cease operation for a period longer than 240 hours, unless:
- (i) the retail licensee notifies the department in writing at least seven days before the day on which the

retail licensee closes or ceases operation; and

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

(b) Notwithstanding Subsection (1)(a), in the case of emergency closure, a retail licensee shall immediately notify the department by telephone.

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

(ii) The department may extend the initial period an additional 30 days upon:

(A) written request of the retail licensee; and

(B) a showing of good cause.

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

(e) A notice required under this Subsection (1) shall include:

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

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

(iii) the date on which the retail licensee will reopen or resume operation.

(f) Failure of a retail licensee to provide notice and to obtain department approval before closure or cessation of operation results in an automatic forfeiture of:

(i) the retail license; and

(ii) the unused portion of the retail license fee for the remainder of the retail license year effective immediately.

(g) Failure of a retail licensee to reopen or resume operation by the approved date results in an automatic forfeiture of:

(i) the retail license; and

(ii) the unused portion of the retail license fee for the remainder of the retail license year.

(h) This Subsection (1) does not apply to:

(i) an on-premise beer retailer who is not a tavern; or

(ii) an airport lounge licensee.

(2) A retail licensee may not transfer a retail license from one location to another location, without prior written approval of the commission.

(3) (a) A person, having been issued a retail license may not sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the retail license to another person whether for monetary gain or not.

(b) A retail license has no monetary value for any type of disposition.

32B-5-309 (Effective 07/01/12). Ceasing operation.

(1) Except as provided in Subsection (8), a retail licensee may not close or cease operation for a period longer than 240 hours, unless:

(a) the retail licensee notifies the department in writing at least seven days before the day on which the retail licensee closes or ceases operation; and

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

(2) Notwithstanding Subsection (1), in the case of emergency closure, a retail licensee shall immediately notify the department by telephone.

(3) (a) The department may authorize a closure or cessation of operation of a retail licensee for a period not to exceed 60 days.

(b) The department may extend the initial period an additional 30 days upon:

(i) written request of the retail licensee; and

(ii) a showing of good cause.

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

(5) A notice required under this section shall include:

(a) the dates of closure or cessation of operation;

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

(c) the date on which the retail licensee will reopen or resume operation.

(6) Failure of a retail licensee to provide notice and to obtain department approval before closure or cessation of operation results in an automatic forfeiture of:

(a) the retail license; and

(b) the unused portion of the retail license fee for the remainder of the retail license year effective immediately.

(7) Failure of a retail licensee to reopen or resume operation by the approved date results in an automatic forfeiture of:

(a) the retail license; and

(b) the unused portion of the retail license fee for the remainder of the retail license year.

(8) This section does not apply to:

(a) an on-premise beer retailer who is not a tavern; or

(b) an airport lounge licensee.

32B-5-310. Notifying department of change in ownership.

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

(1) ownership of the premises of the retail license;

(2) for a corporate owner, the:

(a) corporate officers or directors of the retail licensee; 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 of the limited liability company; or

(b) members owning at least 20% of the limited liability company.

**Specific Retail Licensing
On-Premise Beer Retailer License**

32B-6-701 Title.

This part is known as "On-premise Beer Retailer License."

32B-6-702. Definitions.

As used in this part, "recreational amenity" is defined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act. A rule made under this section shall define "recreational amenity" to be one or more of the following or an activity substantially similar to one of the following:

(1) a billiard parlor;

(2) a pool parlor;

(3) a bowling facility;

(4) a golf course;

(5) miniature golf;

(6) a golf driving range;

(7) a tennis club;

(8) a sports facility that hosts professional sporting events and has a seating capacity equal to or greater than 6,500;

(9) a concert venue that has a seating capacity equal to or greater than 6,500;

(10) one of the following if owned by a government agency:

(a) a convention center;

(b) a fair facility;

(c) an equestrian park;

(d) a theater; or

(e) a concert venue;

(11) an amusement park:

- (a) with one or more permanent amusement rides; and
- (b) located on at least 50 acres;
- (12) a ski resort;
- (13) a venue for live entertainment if the venue:
 - (a) is not regularly open for more than five hours on any day;
 - (b) is operated so that food is available whenever beer is sold, offered for sale, or furnished at the venue; and
 - (c) is operated so that no more than 15% of its total annual receipts are from the sale of beer; or
- (14) concessions operated within the boundary of a park administered by the:
 - (a) Division of Parks and Recreation; or
 - (b) National Parks Service.

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

(1) Before a person may store, sell, offer for sale, furnish, or allow the consumption of beer on the premises as an on-premise beer retailer, the person shall first obtain an on-premise beer retailer license from the commission in accordance with this part.

(2) (a) The commission may issue an on-premise beer retailer license to establish on-premise beer retailer licensed premises at places and in numbers as the commission considers proper for the storage, sale, offer for sale, furnishing, and consumption of beer on premises operated as an on-premise beer retailer.

(b) At the time that the commission issues an on-premise beer retailer license, the commission shall designate whether the on-premise beer retailer is a tavern.

(c) The commission may change its designation of whether an on-premise beer retailer is a tavern in accordance with rules made by the commission.

(d) (i) In determining whether an on-premise beer retailer is a tavern, the commission shall determine whether the on-premise beer retailer will engage primarily in the retail sale of beer for consumption on the establishment's premises.

(ii) In making a determination under this Subsection (2)(d), the commission shall consider:

(A) whether the on-premise beer retailer will operate as one of the following:

- (I) a beer bar;
- (II) a parlor;
- (III) a lounge;
- (IV) a cabaret; or
- (V) a nightclub;

(B) if the on-premise beer retailer will operate as described in Subsection (2)(d)(ii)(A):

- (I) whether the on-premise beer retailer will sell food in the establishment; and
- (II) if the on-premise beer retailer sells food, whether the revenue from the sale of beer will

exceed the revenue of the sale of food;

(C) whether full meals including appetizers, main courses, and desserts will be served;

(D) the square footage and seating capacity of the premises;

(E) what portion of the square footage and seating capacity will be used for a dining area in comparison to the portion that will be used as a lounge or bar area;

(F) whether the person will maintain adequate on-premise culinary facilities to prepare full meals, except a person that is located on the premises of a hotel or resort facility may use the culinary facilities of the hotel or resort facility;

(G) whether the entertainment provided on the premises of the beer retailer will be suitable for minors; and

(H) the beer retailer management's ability to manage and operate an on-premise beer retailer license

including:

- (I) management experience;
- (II) past beer retailer management experience; and
- (III) the type of management scheme that will be used by the beer retailer.

(e) On or after March 1, 2012:

(i) To be licensed as an on-premise beer retailer that is not a tavern, a person shall:

(A) maintain at least 70% of the person's total gross revenues from business directly related to a recreational amenity on or directly adjoining the licensed premises of the beer retailer; or

(B) have a recreational amenity on or directly adjoining the licensed premises of the

beer retailer and maintain at least 70% of the person's total gross revenues from the sale of food.

(ii) The commission may not license a person as an on-premise beer retailer if the person does not:

(A) meet the requirements of Subsection (2)(e)(i); or

(B) operate as a tavern.

(iii) (A) A person licensed as an on-premise beer retailer that is not a tavern as of July 1, 2011 shall notify the department by no later than August 1, 2011, whether effective March 1, 2012, the person will seek to be licensed as a beer-only restaurant licensee, a tavern, or an on-premise beer retailer that meets the requirements of Subsection (2)(e)(i).

(B) If an on-premise beer retailer fails to notify the department as required by Subsection (2)(e)(iii)(A), the on-premise beer retailer's license expires as of February 29, 2012, and to operate as an on-premise beer retailer after February 29, 2012, the on-premise beer retailer is required to apply as a new licensee, and any bar or bar structure on the premises of an on-premise beer retailer license that is not a tavern and does not meet the requirements of Subsection (2)(e)(i) will not be grandfathered under Subsection 32B-6-902(1).

(iv) A person who, after August 1, 2011, applies for an on-premise beer retailer license that is not a tavern and does not meet the requirements of Subsection (2)(e)(i), may not have or construct facilities for the dispensing or storage of an alcoholic product that do not meet the requirements of Subsection 32B-6-905(12)(a)(ii).

(3) Subject to Section 32B-1-201:

(a) The commission may not issue a total number of on-premise beer retailer licenses that are taverns that at any time exceeds the number determined by dividing the population of the state by 54,147.

(b) The commission may issue a seasonal on-premise beer retailer license for a tavern in accordance with Section 32B-5-206.

(4) (a) Unless otherwise provided in Subsection (4)(b):

(i) only one on-premise beer retailer license is required for each building or resort facility owned or leased by the same person; and

(ii) a separate license is not required for each retail beer dispensing location in the same building or on the same resort premises owned or operated by the same person.

(b) (i) Subsection (4)(a) applies only if each retail beer dispensing location in the building or resort facility operates in the same manner.

(ii) If each retail beer dispensing location does not operate in the same manner:

(A) one on-premise beer retailer license designated as a tavern is required for the locations in the same building or on the same resort premises that operate as a tavern; and

(B) one on-premise beer retailer license is required for the locations in the same building or on the same resort premises that do not operate as a tavern.

32B-6-704. Local authority to issue a license.

(1) A local authority may issue a license to operate as an on-premise beer retailer, subject to:

(a) the requirement under this part that a person obtain an on-premise beer retailer license issued by the commission to operate as an on-premise beer retailer; and

(b) subject to Title 11, Chapter 10, Businesses Allowing Consumption of an Alcoholic Product on Premises.

(2) For a violation of this title, rules of the commission, or a local ordinance, a local authority may suspend or revoke a business license described in Subsection (1).

(3) (a) If the commission suspends or revokes an on-premise beer retailer license issued by the commission under this title, the on-premise beer retailer may not continue to operate under a license issued by a local authority.

(b) If a local authority suspends or revokes a business license described in Subsection (1), an on-premise beer retailer may not continue to operate under the on-premise beer retailer license issued by the commission.

(4) A person issued a business license issued by a local authority as described in Subsection (1) shall comply with

this title, including a provision related to the storage, sale, offer for sale, furnishing, consumption, warehousing, or distribution of beer.

32B-6-705. Specific licensing requirements for on-premise beer retailer license.

(1) To obtain an on-premise beer retailer license a person shall comply with Chapter 5, Part 2, Retail Licensing Process, except that an on-premise beer retailer is required to carry dramshop insurance coverage in accordance with Section 32B-5-201 only if the on-premise beer retailer sells more than \$5,000 of beer annually.

(2) (a) An on-premise beer retailer license expires on the last day of February each year.

(b) To renew a person's on-premise beer retailer license, a person shall comply with the renewal requirements of Chapter 5, Part 2, Retail Licensing Process, by no later than January 31.

(3) (a) The nonrefundable application fee for an on-premise beer retailer license is \$300.

(b) (i) The initial license fee for an on-premise beer retailer license that is not a tavern is \$300.

(ii) The initial license fee for an on-premise beer retailer license that is a tavern is \$1,500.

(c) (i) The renewal fee for an on-premise beer retailer license that is not a tavern is \$350.

(ii) The renewal fee for an on-premise beer retailer license that is a tavern is \$1,250.

(4) The bond amount required for an on-premise beer retailer license is the penal sum of \$5,000.

(5) Notwithstanding the other provisions of this part, if an applicant is a state agency or political subdivision of the state it is not required to:

(a) pay an application fee, initial license fee, or renewal fee;

(b) obtain the written consent of the local authority;

(c) submit a copy of the applicant's current business license; or

(d) post a bond as specified by Section 32B-5-204.

32B-6-706. Specific operational requirements for on-premise beer retailer license.

(1) (a) In addition to complying with Chapter 5, Part 3, Retail Licensee Operational Requirements, an on-premise beer retailer and staff of the on-premise beer retailer shall comply with this section.

(b) Failure to comply as provided in Subsection (1)(a) may result in disciplinary action in accordance with Chapter 3, Disciplinary Actions and Enforcement Act, against:

(i) an on-premise beer retailer;

(ii) individual staff of an on-premise beer retailer; or

(iii) both an on-premise beer retailer and staff of the on-premise beer retailer.

(2) (a) An on-premise beer retailer is not subject to Section 32B-5-302, but shall make and maintain the records the department requires.

(b) Section 32B-1-205 applies to a record required to be made or maintained in accordance with this Subsection (2).

(3) Notwithstanding Section 32B-5-303, an on-premise beer retailer may not store or sell liquor on its licensed premises.

(4) Beer sold in a sealed container by an on-premise beer retailer may be removed from the on-premise beer retailer premises in the sealed container.

(5) (a) An on-premise beer retailer may not sell, offer for sale, or furnish beer at its licensed premises during a period that:

(i) begins at 1 a.m.; and

(ii) ends at 9:59 a.m.

(b) (i) Notwithstanding Subsection (5)(a), a tavern shall remain open for one hour after the tavern ceases the sale and furnishing of beer during which time a patron of the tavern may finish consuming a single serving of beer not exceeding 26 ounces.

(ii) A tavern is not required to remain open:

(A) after all patrons have vacated the premises; or

(B) during an emergency.

(6) Notwithstanding Section 32B-5-308, a minor may not be on the premises of a tavern.

(7) (a) (i) An on-premise beer retailer may not purchase, acquire, possess for the purpose of resale, or sell beer except beer that the on-premise beer retailer lawfully purchases from:

(A) a beer wholesaler licensee; or

(B) a small brewer that manufactures the beer.

(ii) Violation of Subsection (7)(a)(i) is a class A misdemeanor.

(b) (i) If an on-premise beer retailer purchases beer under this Subsection (7) from a beer wholesaler licensee, the on-premise beer retailer shall purchase beer only from a beer wholesaler licensee who is designated by the manufacturer to sell beer in the geographical area in which the off-premise beer retailer is located, unless an alternate wholesaler is authorized by the department to sell to the off-premise beer retailer as provided in Section 32B-13-301.

(ii) Violation of Subsection (7)(b)(i) is a class B misdemeanor.

(8) A tavern shall comply with Section 32B-1-407.

32B-6-708. Information obtained by investigator.

(1) Subject to Subsection (2), if an investigator is permitted by another provision of this title to inspect a record of an on-premise beer retailer that is a tavern, in addition to any other rights under this title, the investigator may inspect, have a copy of, or otherwise review any record of the tavern that is a visual recording of the operations of the tavern.

(2) An investigator who is a peace officer may not inspect, have a copy of, or otherwise review a visual recording described in Subsection (1) without probable cause.

C. COMMISSION RULES

R81-1-2. Definitions.

Definitions of terms in the Act are used in these rules, except where the context of the terms in these rules clearly indicates a different meaning.

- (1) "ACT" means the Alcoholic Beverage Control Act, Title 32B.
- (2) "COMMISSION" means the Utah Alcoholic Beverage Control Commission.
- (3) "DECISION OFFICER" means a person who has been appointed by the commission or the director of the Department of Alcoholic Beverage Control to preside over the prehearing phase of all disciplinary actions, and, in all cases not requiring an evidentiary hearing.
- (4) "DEPARTMENT" or "DABC" means the Utah Department of Alcoholic Beverage Control.
- (5) "DIRECTOR" means the director of the Department of Alcoholic Beverage Control.
- (6) "DISCIPLINARY ACTION" means the process by which violations of the Act and these rules are charged and adjudicated, and by which administrative penalties are imposed.
- (7) "DISPENSING SYSTEM" means a dispensing system or device which dispenses liquor in controlled quantities not exceeding 1.5 ounces and has a meter which counts the number of pours served.
- (8) "GUEST ROOM" means a space normally utilized by a natural person for occupancy, usually a traveler who lodges at an inn, hotel or resort.
- (9) "HEARING OFFICER" or "PRESIDING OFFICER" means a person who has been appointed by the commission or the director to preside over evidentiary hearings in disciplinary actions, and who is authorized to issue written findings of fact, conclusions of law, and recommendations to the commission for final action.
- (10) "LETTER OF ADMONISHMENT" is a written warning issued by a decision officer to a respondent who is alleged to have violated the Act or these rules.
- (11) "MANAGER" means a person chosen or appointed to manage, direct, or administer the affairs of another person, corporation, or company.
- (12) "POINT OF SALE" means that portion of a package agency, restaurant, limited restaurant, beer-only restaurant, airport lounge, on-premise banquet premises, reception center, club, recreational amenity on-premise beer retailer, tavern, single event permitted area, temporary special event beer permitted area, or public service special use permitted area that has been designated by the department as an alcoholic beverage selling area. It also means that portion of an establishment that sells beer for off-premise consumption where the beer is displayed or offered for sale.
- (13) "REASONABLE" means ordinary and usual thinking, speaking, or acting, which is fit and appropriate to the end in view.
- (14) "RESPONDENT" means a department licensee, or permittee, or employee or agent of a licensee or permittee, or other entity against whom a letter of admonishment or notice of agency action is directed.
- (15) "STAFF" or "authorized staff member" means a person duly authorized by the director of the department to perform a particular act.
- (16) "UTAH ALCOHOLIC BEVERAGE CONTROL LAWS" means any Utah statutes, commission rules and municipal and county ordinances relating to the manufacture, possession, transportation, distribution, sale, supply, wholesale, warehousing, and furnishing of alcoholic beverages.

(17) "VIOLATION REPORT" means a written report from any law enforcement agency or authorized department staff member alleging a violation of the Utah Alcoholic Beverage Control Act or rules of the commission by a department licensee, or permittee, or employee or agent of a licensee or permittee or other entity.

(18) "WARNING SIGN" means a sign no smaller than eight and one half inches high by eleven inches wide, clearly readable, stating: "Warning: drinking alcoholic beverages during pregnancy can cause birth defects and permanent brain damage for the child. Call the Utah Department of Health at (insert most current toll-free number) with questions or for more information" and "Warning: Driving under the influence of alcohol or drugs is a serious crime that is prosecuted aggressively in Utah." The two warning messages shall be in the same font size but different font styles that are no smaller than 36 point bold. The font size for the health department contact information shall be no smaller than 20 point bold.

R81-1-3. General Policies.

(1) Labeling.

No licensee or permittee shall sell or deliver any alcoholic beverage in containers not marked, branded or labeled in conformity with regulations enacted by the agencies of the United States government pertaining to labeling and advertising.

(2) Manner of Paying Fees.

Payment of all fees for licenses, permits, certificates of approval, or renewals thereof, shall be made in legal tender of the United States of America, certified check, bank draft, cashier's check, United States post office money order, or personal check.

(3) Copy of Commission Rules.

Copies of the commission rules shall be available at the department's office, 1625 South 900 West, P. O. Box 30408, Salt Lake City, Utah 84130-0408 for an administrative cost of \$20 per copy, or on the department's website at <http://www.abc.utah.gov>.

(4) Interest Assessment on Delinquent Accounts.

The department may assess the legal rate of interest provided in Sections 15-1-1 through -4 for any debt or obligation owed to the department by a licensee, permittee, package agent, or any other person.

(5) Returned Checks.

(a) The department will assess a \$20 charge for any check payable to the department returned for the following reasons:

- (i) insufficient funds;
- (ii) refer to maker; or
- (iii) account closed.

(b) Receipt of a check payable to the department which is returned by the bank for any of the reasons listed in Subsection (5)(a) may result in the immediate suspension of the license, permit, or operation of the package agency of the person tendering the check until legal tender of the United States of America, certified check, bank draft, cashier's check, or United States post office money order is received at the department offices, 1625 South 900 West, Salt Lake City, Utah, plus the \$20 returned check charge. Failure to make good the returned check and pay the \$20 returned check charge within thirty days after the license, permit, or operation of the package agency is suspended, is grounds for revocation of the license or permit, or termination of the package agency contract, and the forfeiture of the licensee's, permittee's, or package agent's bond.

(c) In addition to the remedies listed in Subsection (5)(b), the department may require that the licensee, permittee, or package agent transact business with the department on a "cash only" basis. The determination of when to put a licensee, permittee, or package agency operator on "cash only" basis and how long the licensee, permittee, or package agency operator remains on "cash only" basis shall be at the discretion of the department and shall be based on the following factors:

- (i) dollar amount of the returned check(s);
- (ii) the number of returned checks;

(iii) the length of time the licensee, permittee, or package agency operator has had a license, permit, or package agency with the department;

(iv) the time necessary to collect the returned check(s); and

(v) any other circumstances.

(d) A returned check received by the department from or on behalf of an applicant for or holder of a single event permit or temporary special event beer permit may, at the discretion of the department, require that the person or entity that applied for or held the permit be on "cash only" status for any future events requiring permits from the commission.

(e) In addition to the remedies listed in Subsections (5)(a), (b), (c) and (d), the department may pursue any legal remedies to effect collection of any returned check.

(6) Disposition of unsaleable merchandise.

The department, after determining that certain alcoholic products are distressed or unsaleable, but consumable, may make those alcoholic products available to the Utah Department of Public Safety for education or training purposes.

All merchandise made available to the Utah Department of Public Safety must be accounted for as directed by the Department of Alcoholic Beverage Control.

R81-1-12. Alcohol Training and Education Seminar.

(1) The alcohol training and education seminar, as described in Section 62A-15-401, shall be completed by every individual of every new and renewing licensee under title 32B who:

(a) is employed to sell or furnish alcoholic beverages to the public within the scope of his employment for consumption on the premises;

(b) is employed to manage or supervise the service of alcoholic beverages; or

(c) holds an ownership interest in an on-premise licensed establishment and performs the duties of a manager, supervisor, or server of alcoholic beverages.

(2) Persons described in subsection 1(a) and (b) must complete the training within 30 days of commencing employment. Persons described in subsection 1(c) must complete the training within 30 days of engaging in the duties described in subsection 1(a) and (b).

(3) Each licensee shall maintain current records on each individual indicating:

(a) date of hire, and

(b) date of completion of training.

(4) The seminar shall include the following subjects in the curriculum and training:

(a) alcohol as a drug and its effect on the body and behavior;

(b) recognizing the problem drinker;

(c) an overview of state alcohol laws;

(d) dealing with problem customers; and

(e) alternate means of transportation to get a customer safely home.

(5) Persons required to complete the seminar shall pay a fee to the seminar provider.

(6) The seminar is administered by the Division of Substance Abuse of the Utah Department of Human Services.

(7) Persons who are not in compliance with subsection (2) may not:

(a) serve or supervise the serving of alcoholic beverages to a customer for consumption on the premises of a licensee; or

(b) engage in any activity that would constitute managing operations at the premises of a licensee.

R81-1-16. Disqualification Based Upon Conviction of Crime.

(1) The Alcoholic Beverage Control Act generally disqualifies persons from being employees of the department, operating a package agency, holding a license or permit, or being employed in a managerial or supervisory capacity with a package agency, licensee or permittee if they have been convicted of:

- (a) a felony under any federal or state law;
- (b) any violation of any federal or state law or local ordinance concerning the sale, manufacture, distribution, warehousing, adulteration, or transportation of alcoholic beverages;
- (c) any crime involving moral turpitude; or
- (d) driving under the influence of alcohol or drugs on two or more occasions within the last five years.

(2) In the case of a partnership, corporation, or limited liability company the proscription under Subsection (1) applies if any of the following has been convicted of any offense described in Subsection (1):

- (a) a partner;
- (b) a managing agent;
- (c) a manager;
- (d) an officer;
- (e) a director;
- (f) a stockholder who holds at least 20% of the total issued and outstanding stock of the corporation; or
- (g) a member who owns at least 20% of the limited liability company.

(3) As used in the Act and these rules:

- (a) "convicted" or "conviction" means a determination of guilt by a judge or a jury, upon either a trial or entry of a plea, in any court, including a court not of record, that has not been reversed on appeal;
- (b) "felony" means any crime punishable by a term of imprisonment in excess of one year; and
- (c) a "crime involving moral turpitude" means a crime that involves actions done knowingly contrary to justice, honesty, or good morals. It is also described as a crime that is "malum in se" as opposed to "malum prohibitum" - actions that are immoral in themselves regardless of being punishable by law as opposed to actions that are wrong only since they are prohibited by statute. A crime of moral turpitude ordinarily involves an element of falsification or fraud or of harm or injury directed to another person or another's property. For purposes of this rule, crimes of moral turpitude may include crimes involving controlled substances, illegal drugs, and narcotics.

R81-1-25. Sexually-Oriented Entertainers and Stage Approvals.

(1) Authority. This rule is pursuant to:

- (a) the police powers of the state under 32B-1-104 to regulate the sale, service and consumption of alcoholic beverages in a manner that protects the public health, peace, safety, welfare, and morals;
- (b) the commission's powers and duties under 32B-2-202 to prescribe the conduct and management of any premises upon which alcoholic beverages may be sold, consumed, served, or stored; and
- (c) 32B-1-501 to -506 that prescribe the attire and conduct of sexually-oriented entertainers in premises regulated by the commission and require them to appear or perform only in a tavern or social club and only upon a stage or in a designated area approved by the commission in accordance with commission rule.

(2) Purpose. This rule establishes guidelines used by the commission to approve stages and designated performance areas in a tavern or social club where sexually-oriented entertainers may appear or perform in a state of seminudity.

(3) Definitions.

- (a) "Seminude", "seminudity, or "state of seminudity" means a state of dress as defined in 32B-1-102(102).
- (b) "Sexually-oriented entertainer" means a person defined in 32B-1-102(93).

(4) Application of Rule.

- (a) A sexually-oriented entertainer may appear or perform seminude only on the premises of a tavern or social club.
- (b) A tavern or social club licensee, or an employee, independent contractor, or agent of the licensee shall not allow:
 - (i) a sexually-oriented entertainer to appear or perform seminude except in compliance with the conditions and attire and conduct restrictions of 32B-1-502 to -506;

(ii) a patron to be on the stage or in the performance area while a sexually-oriented entertainer is appearing or performing on the stage or in the performance area; and

(iii) a sexually-oriented entertainer to appear or perform seminude except on a stage or in a designated performance area that has been approved by the commission.

(c) Stage and designated performance area requirements.

(i) The following shall submit for commission approval a floor-plan containing the location of any stage or designated performance area where sexually-oriented entertainers appear or perform:

(A) an applicant for a tavern or social club license from the commission who intends to have sexually-oriented entertainment on the premises;

(B) a current tavern or social club licensee of the commission that did not have sexually-oriented entertainment on the premises when application was made for the license or permit, but now intends to have such entertainment on the premises; or

(C) a current tavern or social club licensee of the commission that has sexually-oriented entertainment on the premises, but has not previously had the stage or performance area approved by the commission.

(ii) The commission may approve a stage or performance area where sexually-oriented entertainers may perform in a state of seminudity only if the stage or performance area:

(A) is horizontally separated from the portion of the premises on which patrons are allowed by a minimum of three (3) feet, which separation shall be delineated by a physical barrier or railing that is at least three (3) feet high from the floor;

(B) is configured so as to preclude a patron from:

(I) touching the sexually-oriented entertainer;

(II) placing any money or object on or within the costume or the person of any sexually-oriented entertainer;

(III) is configured so as to preclude a sexually-oriented entertainer from touching a patron; and

(IV) conforms to the requirements of any local ordinance of the jurisdiction where the premise is located relating to distance separation requirements between sexually-oriented entertainers and patrons that may be more restrictive than the requirements of Sections (4)(c)(i) and (ii) of this rule.

(iii) The person applying for approval of a stage or performance area shall submit with their application:

(A) a diagram, drawn to scale, of the premises of the business including the location of any stage or performance area where sexually-oriented entertainers will appear or perform;

(B) a copy of any applicable local ordinance relating to distance separation requirements between sexually-oriented entertainers and patrons; and

(C) evidence of compliance with any such applicable local ordinance.

R81-1-26. Criminal History Background Checks.

(1) Authority. This rule is pursuant to:

(a) the commission's powers and duties under 32B-2-202 to set policy by written rules that establish criteria and procedures for granting, denying, suspending, or revoking permits, licenses, and package agencies;

(b) 32B-1-301 to -307 that prohibit certain persons who have been convicted of certain criminal offenses from being employed by the department or from holding or being employed by the holder of an alcoholic beverage license, permit, or package agency; and

(c) 32B-1-301 to -307 that allow for the department to require criminal history background check reports on certain individuals.

(2) Purpose. This rule:

(a) establishes the circumstances under which a person identified in the statutory sections enumerated in Subparagraph (1)(b), must provide the department with a criminal history background report that shows the person meets the qualifications of those statutory sections as a condition of employment with the department, or as a condition of the commission granting a license, permit, or package agency to an applicant for a license, permit, or package agency; and

(b) establishes the procedures for the filing and processing of criminal history background reports.

(3) Application of Rule.

(a) (i) Except to the extent provided in Subparagraphs (3)(a)(iv), (v), (vi), and (vii) a person identified in Subparagraph (1)(b) who has been a resident of the state of Utah for at least two years, shall submit a fingerprint

card to the department, and consent to a fingerprint criminal background check by Utah Bureau of Criminal Identification, Department of Public Safety (hereafter "B.C.I.").

(ii) Except to the extent provided in Subparagraphs (3)(a)(iv), (v), (vi), and (vii), and (3)(b) through (h), a person identified in Subparagraph (1)(b) who has been a resident of the state of Utah for less than two years, shall submit a fingerprint card to the department, and consent to a fingerprint criminal background check by the Federal Bureau of Investigation (hereafter "F.B.I.").

(iii) Except to the extent provided in Subparagraphs (3)(a)(iv), (v), and (vi), and (vii), (3)(b) through (h), a person identified in Subparagraph (1)(b) who currently resides outside the state of Utah shall submit a fingerprint card to the department, and consent to a fingerprint criminal background check by the F.B.I.

(iv) A person identified in Subparagraph (1)(b) who previously submitted a criminal background check as part of the application process for a different license, permit, or package agency that was issued by the commission shall not be required to submit a fingerprint card with the department or provide a new criminal history background report as part of the application process for a new license, permit, or package agency if the person attests that he or she has not been convicted of any disqualifying criminal offense identified in Subparagraph (1)(b).

(v) An applicant for a single event permit under 32B-9 shall not be required to submit a fingerprint card or provide a criminal history background report if the applicant attests that the persons identified in Subparagraph (1)(b) have not been convicted of any disqualifying criminal offense.

(vi) An applicant for a temporary special event beer permit under 32B-9 shall not be required to submit a fingerprint card or provide a criminal history background report if the applicant attests that the persons identified in Subparagraph (1)(b) have not been convicted of any disqualifying criminal offense identified in Subparagraph (1)(b).

(vii) An applicant for employment with benefits with the department shall be required to submit a fingerprint card and consent to a fingerprint criminal background check only if the department has made the decision to offer the applicant employment with the department.

(b) An application that requires B.C.I. or F.B.I. criminal history background report(s) may be included on a commission meeting agenda, and may be considered by the commission for issuance of a license, permit, or package agency if:

(i) the applicant has completed all requirements to apply for the license, permit, or package agency other than the department receiving the required B.C.I. or F.B.I. criminal history background report(s);

(ii) the applicant attests in writing that he or she is not aware of any criminal conviction of any person identified in Subparagraph (1)(b) that would disqualify the applicant from applying for and holding the license, permit, or package agency;

(iii) the applicant has submitted to the department the necessary fingerprint card(s) required for the application, and consented to the fingerprint criminal background check(s) by the B.C.I. or F.B.I.;

(iv) the applicant at the time of application supplies the department with a current criminal history background report conducted by a third-party background check reporting service on any person for which a B.C.I. or an F.B.I. background check is required; and

(v) the applicant stipulates in writing that if a B.C.I. or an F.B.I. report shows a criminal conviction that would disqualify the applicant from holding the license, permit, or package agency, the applicant shall immediately surrender the license, permit, or package agency to the department.

(c) The commission may issue a license, permit, or package agency to an applicant that has met the requirements of Subparagraph (3)(b), and the license, permit, or package agency shall be valid during the period the B.C.I. or F.B.I. is processing the criminal history report(s).

(d) The department shall use a unique file tracking system for such licenses, permits, and package agencies.

(e) If the required B.C.I. or F.B.I. report(s) are not received by the department within six (6) months of the date the license, permit, or package agency is issued by the commission, the licensee, permittee, or package agent shall appear at the next regular meeting of the commission for a status report, and the commission may either order the surrender of the license, permit, or package agency, or may extend the reporting period.

(f) Upon the department's receipt of the B.C.I. or F.B.I. report(s):

(i) if there is no disqualifying criminal history, the license, permit, or package agency shall continue for the balance the license or permit period, or the package agency contract period; or

(ii) if there is a disqualifying criminal history, the license, permit, or package agency shall be immediately surrendered, and the commission may enter an order accepting the surrender, or an order revoking the license, permit, or package agency depending on the circumstances.

(g) In the case of a license or permit, if the statutory deadline for renewing the license or permit occurs before receipt of the B.C.I. or F.B.I. report(s), the licensee or permittee may file for renewal of the license or permit subject to meeting all of the requirements in Subparagraphs (3)(b) through (f).

(h) An applicant for employment with benefits with the department that requires a B.C.I. or an F.B.I. criminal history background report may be conditionally hired by the department prior to receipt of the report if:

(i) the applicant attests in writing that he or she is not aware of any criminal conviction that would disqualify the applicant from employment with the department;

(ii) the applicant has submitted to the department the necessary fingerprint card(s) required for the application, and consented to the fingerprint criminal background check(s) by the B.C.I. or F.B.I.;

(iii) the applicant stipulates in writing that if a B.C.I. or an F.B.I. report shows a criminal conviction that would disqualify the applicant from employment with the department, the applicant shall terminate his or her employment with the department.

R81-1-30. Draft Beer Sales/Minors on Premises.

A state license that authorizes the sale of beer on the premises also authorizes the licensee to sell beer on draft regardless of the nature of the business (e.g. cafe, restaurant, pizza parlor, bowling alley, golf course clubhouse, club, tavern, etc.). Minors may not be precluded from establishments based upon whether draft beer is sold. However, minors may not be employed by or be on the premises of any establishment or portion of an establishment which is a "tavern" as defined in Section 32B-1-102(112). This does not preclude local authorities and licensees from excluding minors from premises or portions of premises which have the atmosphere or appearance of a "tavern" as so defined.

R81-10D-1. Licensing.

(1) Tavern beer licenses are issued to persons as defined in Section 32B-1-102(74). The department must be immediately notified of any action or transaction that may alter the organizational structure or ownership interest of the person to whom the license is issued to ensure there is no violation of Sections 32B-5-310.

R81-10D-2. Application.

A license application shall be included in the agenda of the monthly commission meeting for consideration for issuance of a tavern beer license when the requirements of Sections 32B-1-304, 32B-5-201, -204 and 32B-6-703 and -705 have been met, and a completed application has been received by the department and the restaurant premises have been inspected by the department.

R81-10D-3. Bonds.

No part of any corporate or cash bond required by Section 32B-5-204 and 32B-6-705(4) may be withdrawn during the time the license is in effect. If the tavern beer licensee fails to maintain a valid corporate or cash bond, the license shall be immediately suspended until a valid bond is obtained. Failure to obtain a bond within 30 days of notification by the department of the delinquency shall result in the automatic revocation of the license.

R81-10D-4. Insurance.

Public liability and dram shop insurance coverage required in Section 32B-5-201(2)(j) must remain in force during the time the license is in effect. Failure of the licensee to maintain the required insurance coverage may result in a suspension or revocation of the license by the commission.

R81-10D-5. Identification Badge.

Each employee of the licensee who sells, dispenses or provides alcoholic beverages shall wear a unique identification badge visible above the waist, bearing the employee's first name, initials, or a unique number in letters or numbers not less than 3/8 inch high. The identification badge must be worn on the front portion of the employee's body. The licensee shall maintain a record of all employee badges assigned, which shall be available for inspection by any peace officer, or representative of the department. The record shall include the employee's full name and address and a driver's license or similar identification number.

R81-10D-6. Age Verification - Taverns.

(1) Authority. 32B-1-402, -405, and -407.

(2) Purpose.

(a) 32B-1-407 requires tavern licensees to verify proof of age of persons who appear to be 35 years of age or younger either by an electronic age verification device, or an acceptable alternate process established by commission rule.

(b) This rule:

- (i) establishes the minimum technology specifications of electronic age verification devices; and
- (ii) establishes the procedures for recording identification that cannot be electronically verified; and

(iii) establishes the security measures that must be used by the tavern licensee to ensure that information obtained is used only to verify proof of age and is not disclosed to others except to the extent authorized by Title 32B.

(3) Application of Rule.

(a) An electronic age verification device:

(i) shall contain:

- (A) the technology of a magnetic stripe card reader;
- (B) the technology of a two dimensional ("2d") stack symbology card reader; or
- (C) an alternate technology capable of electronically verifying the proof of age;

(ii) shall be capable of reading:

- (A) a valid state issued driver's license;
- (B) a valid state issued identification card;
- (C) a valid military identification card; or
- (D) a valid passport;

(iii) shall have a screen that displays no more than:

- (A) the individual's name;
- (B) the individual's age;
- (C) the number assigned to the individual's proof of age by the issuing authority;
- (D) the individual's the birth date;
- (E) the individual's gender; and
- (F) the status and expiration date of the individual's proof of age; and

(iv) shall have the capability of electronically storing the following information for seven days (168 hours):

- (A) the individual's name;
- (B) the individual's date of birth;
- (C) the individual's age;
- (D) the expiration date of the proof of age identification card;
- (E) the individual's gender; and
- (F) the time and date the proof of age was scanned.

(b) An alternative method of verifying an individual's proof of age when proof of age cannot be scanned electronically:

(i) shall include a record or log of the information obtained from the individual's proof of age including the following information:

- (A) the type of proof of age identification document presented;
- (B) the number assigned to the individual's proof of age document by the issuing authority;
- (C) the expiration date of the proof of age identification document;
- (D) the date the proof of age identification document was presented;
- (E) the individual's name; and
- (F) the individual's date of birth.

(c) Any data collected either electronically or otherwise:

(i) may be used by the licensee, and employees or agents of the licensee, solely for the purpose of verifying an individual's proof of age;

(ii) may be acquired by law enforcement, or other investigative agencies for any purpose under

Section 32B-5-301;

- (iii) may not be retained by the licensee in a data base for mailing, advertising, or promotional activity;
- (iv) may not be retained to acquire personal information to make inappropriate personal contact with the individual; and
- (v) shall be retained for a period of seven days from the date on which it was acquired, after which it must be deleted.

(d) Any person who still questions the age of the individual after being presented with proof of age, shall require the individual to sign a statement of age form as provided under 32B-1-405.

D. ALCOHOLIC BEVERAGE LIABILITY

32B-15-102 Definitions.

As used in this chapter:

- (1) "Death of a third person" includes recovery for all damages, special and general, resulting from the death, except punitive damages.
- (2) (a) "Injury" includes injury in person, property, or means of support.
(b) "Injury" also includes recovery for intangibles such as:
 - (i) mental and emotional injuries;
 - (ii) loss of affection; and
 - (iii) loss of companionship.

Part 2 Liability

32B-15-201. Liability for injuries and damage resulting from distribution of alcoholic products.

- (1) (a) Except as provided in Subsections 32B-15-202(2) and (3), a person described in Subsection (1)(b) is liable for:
 - (i) any and all injury and damage, except punitive damages to:
 - (A) a third person; or
 - (B) the heir, as defined in Section 78B-3-105, of that third person; or
 - (ii) the death of a third person.(b) A person is liable under Subsection (1)(a) if:
 - (i) the person directly gives, sells, or otherwise provides an alcoholic product:
 - (A) to a person described in Subsection (1)(b)(ii); and
 - (B) as part of the commercial sale, storage, service, manufacture, distribution, or consumption of an alcoholic product;
 - (ii) those actions cause the intoxication of:
 - (A) an individual under the age of 21 years;
 - (B) an individual who is apparently under the influence of intoxicating alcoholic products or drugs;
 - (C) an individual whom the person furnishing the alcoholic product knew or should have known from the circumstances was under the influence of intoxicating alcoholic products or drugs; or
 - (D) an individual who is a known interdicted person; and
 - (iii) the injury or death described in Subsection (1)(a) results from the intoxication of the individual who is provided the alcoholic product.
- (2) (a) A person 21 years of age or older who is described in Subsection (2)(b) is liable for:
 - (i) any and all injury and damage, except punitive damages to:
 - (A) a third person; or
 - (B) the heir, as defined in Section 78B-3-105, of that third person; or
 - (ii) the death of the third person.(b) A person is liable under Subsection (2)(a) if:
 - (i) that person directly gives or otherwise provides an alcoholic product to an individual who the person knows or should have known is under the age of 21 years;
 - (ii) those actions caused the intoxication of the individual provided the alcoholic product;
 - (iii) the injury or death described in Subsection (2)(a) results from the intoxication of the individual who is provided the alcoholic product; and
 - (iv) the person is not liable under Subsection (1), because the person did not directly give or provide the alcoholic product as part of the commercial sale, storage, service, manufacture, distribution, or consumption of an alcoholic product.
- (3) This section does not apply to a business licensed in accordance with Chapter 7, Off-premise Beer Retailer Act, to sell beer at retail only for off-premise consumption.

32B-15-202. Liability for employees -- Employee protected in exercising judgment.

(1) (a) Except for a violation of Subsection 32B-15-201(2), an employer is liable for the actions of its staff in violation of this chapter.

(b) This Subsection (1) does not apply to a business licensed in accordance with Chapter 7, Off-premise Beer Retailer Act, to sell beer at retail only for off-premise consumption.

(2) An employer may not sanction or terminate the employment of individual staff of a retail licensee or other establishment serving an alcoholic product as a result of the staff having exercised the staff's independent judgment to refuse to sell an alcoholic product to a person the staff considers to meet one or more of the conditions described in Subsection 32B-15-201(1)(b).

(3) An employer who terminates an employee or imposes sanctions on the employee contrary to this section is considered to have discriminated against that employee and is subject to the conditions and penalties set forth in Title 34A, Chapter 5, Utah Antidiscrimination Act.

32B-15-203. Governmental immunity.

This title does not create civil liability on the part of the following arising out of one of the following's actions in regulating, controlling, authorizing, or otherwise being involved in the sale or other distribution of an alcoholic product:

- (1) the state;
- (2) a state agency;
- (3) a state employee;
- (4) the commission;
- (5) the department; or
- (6) a political subdivision.

**Part 3
Civil Action**

32B-15-301. Cause of action -- Statute of limitations.

(1) (a) A person who suffers an injury under Subsection 32B-15-201 has a cause of action against the person who provided the alcoholic product in violation of Section 32B-15-201.

(b) If a person having rights or liabilities under this chapter dies, the rights or liabilities provided by this chapter survive to or against that person's estate.

(2) The total amount that may be awarded to any person pursuant to a cause of action for injury and damage under this chapter that arises after January 1, 2010, is limited to \$1,000,000 and the aggregate amount which may be awarded to all persons injured as a result of one occurrence is limited to \$2,000,000.

(3) An action based upon a cause of action under this chapter shall be commenced within two years after the date of the injury and damage.

(4) (a) Nothing in this chapter precludes any cause of action or additional recovery against the person causing the injury.

(b) A cause of action or additional recovery against the person causing the injury and damage, which action is not brought under this chapter, is exempt from the damage cap in Subsection (2).

(c) A cause of action brought under this chapter is exempt from Sections 78B-5-817 through 78B-5-823.

(5) This section does not apply to a business licensed in accordance with Chapter 7, Off-premise Beer Retailer Act, to sell beer at retail only for off-premise consumption.

32B-15-302. Action for contribution by provider of an alcoholic product.

(1) (a) Except as provided in Subsections (2) and (3), a person, as defined under Section 32B-15-201 or Subsection 32B-15-202(1), against whom an award is made under this chapter, may bring a separate cause of action for contribution against any person causing the injury and damage.

(b) The maximum amount for which a person causing the injury and damage may be liable to a person seeking contribution is that percentage or proportion of the damages equivalent to the percentage or proportion of fault attributed to that person causing the injury and damage.

(2) This action for contribution under this section may not be brought against:

- (a) a person entitled to recovery as described in Subsection 32B-15-201(1)(a)(i) or (ii); or
- (b) a person entitled to recover as described in Subsection 32B-15-201(2)(a)(i) or (ii).

(3) An action for contribution under this section may not diminish the amount of recovery for injury or damages awarded and received to a person entitled to recover as described in Subsection 32B-15-201(1)(a)(i) or (ii) or 32B-15-201(2)(a)(i) or (ii):

- (a) in a cause of action brought under this chapter; or
- (b) in a separate cause of action for injury and damage that is not brought under this chapter.

E. ALCOHOLIC BEVERAGE ADVERTISING

R81-1-17. Advertising.

(1) Authority and General Purpose. This rule is pursuant to Section 32B-4-510(4) which authorizes the commission to establish guidelines for the advertising of alcoholic beverages in this state except to the extent prohibited by Title 32B.

(2) Definitions.

(a) For purposes of this rule, "advertisement" or "advertising" includes any written or verbal statement, illustration, or depiction which is calculated to induce alcoholic beverage sales, whether it appears in a newspaper, magazine, trade booklet, menu, wine card, leaflet, circular, mailer, book insert, catalog, promotional material, sales pamphlet, or any written, printed, graphic, or other matter accompanying the container, representations made on cases, billboard, sign, or other public display, public transit card, other periodical literature, publication or in a radio or television broadcast, or in any other media; except that such term shall not include:

(i) labels on products; or

(ii) any editorial or other reading material (i.e., news release) in any periodical or publication or newspaper for the publication of which no money or valuable consideration is paid or promised, directly or indirectly, by any alcoholic beverage industry member or retailer, and which is not written by or at the direction of the industry member or retailer.

(b) For purposes of this rule, "minor" or "minors" shall mean persons under the age of 21 years.

(3) Application.

(a) This rule shall govern the regulation of advertising of alcoholic beverages sold within the state, except where the regulation of interstate electronic media advertising is preempted by federal law. This rule incorporates by reference the Federal Alcohol Administration Act, 27 U.S.C. 205(f), and Subchapter A, Parts 4, 5, 6 and 7 of the regulations of the Bureau of Alcohol, Tobacco and Firearms, United States Department of the Treasury in 27 CFR 4, 5, 6 and 7 (1993 Edition). These provisions shall regulate the labeling and advertising of alcoholic beverages sold within this state, except where federal statutes and regulations are found to be contrary to or inconsistent with the provisions of the statutes and rules of this state.

(b) 27 CFR Section 7.50 provides that federal laws apply only to the extent that the laws of a state impose similar requirements with respect to advertisements of malt beverages manufactured and sold or otherwise disposed of in the state. This rule, therefore, adopts and incorporates by reference federal laws, previously referenced in subparagraph (a), relating to the advertising of malt beverage products.

(4) Current statutes and rules restricting the advertising, display, or display of price lists of liquor products, as defined in 32B-1-102(55), by the department, state stores, or type 1, 2 or 3 package agencies as defined in R81-3-1, are applicable.

(5) All advertising of liquor and beer by manufacturers, suppliers, importers, local industry representatives, wholesalers, permittees, and licensed retailers of such products, and type 4 and 5 package agencies as defined in R81-3-1 shall comply with the advertising requirements listed in Section

(6) of this rule.

(6) Advertising Requirements. Any advertising or advertisement authorized by this rule:

(a) May not violate any federal laws referenced in Subparagraph (3);

(b) May not contain any statement, design, device, or representation that is false or misleading;

(c) May not contain any statement, design, device, or representation that is obscene or indecent;

(d) May not refer to, portray or imply illegal conduct, illegal activity, abusive or violent relationships or situations, or anti-social behavior, except in the context of public service advertisements or announcements to educate and inform people of the dangers, hazards and risks associated with irresponsible drinking or drinking by persons under the age of 21 years;

(e) May not encourage over-consumption or intoxication, promote the intoxicating effects of alcohol consumption, or overtly promote increased consumption of alcoholic products;

(f) May not advertise any unlawful discounting practice such as "happy hour", "two drinks for the price of one", "free alcohol", or "all you can drink for \$...".

(g) May not encourage or condone drunk driving;

- (h) May not depict the act of drinking;
- (i) May not promote or encourage the sale to or use of alcohol by minors;
- (j) May not be directed or appeal primarily to minors by:
 - (i) using any symbol, language, music, gesture, cartoon character, or childhood figure such as Santa Claus that primarily appeals to minors;
 - (ii) employing any entertainment figure or group that appeals primarily to minors;
 - (iii) placing advertising in magazines, newspapers, television programs, radio programs, or other media where most of the audience is reasonably expected to be minors, or placing advertising on the comic pages of magazines, newspapers, or other publications;
 - (iv) placing advertising in any school, college or university magazine, newspaper, program, television program, radio program, or other media, or sponsoring any school, college or university activity;
 - (v) using models or actors in the advertising that are or reasonably appear to be minors;
 - (vi) advertising at an event where most of the audience is reasonably expected to be minors; or
 - (vii) using alcoholic beverage identification, including logos, trademarks, or names on clothing, toys, games or game equipment, or other materials intended for use primarily by minors.
- (k) May not portray use of alcohol by a person while that person is engaged in, or is immediately about to engage in, any activity that requires a high degree of alertness or physical coordination;
- (l) May not contain claims or representations that individuals can obtain social, professional, educational, athletic, or financial success or status as a result of alcoholic beverage consumption, or claim or represent that individuals can solve social, personal, or physical problems as a result of such consumption;
- (m) May not offer alcoholic beverages without charge;
- (n) May not require the purchase, sale, or consumption of an alcoholic beverage in order to participate in any promotion, program, or other activity; and
- (o) May provide information regarding product availability and price, and factual information regarding product qualities, but may not imply by use of appealing characters or life-enhancing images that consumption of the product will benefit the consumer's health, physical prowess, sexual prowess, athletic ability, social welfare, or capacity to enjoy life's activities.

(7) Violations. Any violation of this rule may result in the imposition of any administrative penalties authorized by 32B-3-205, and may result in the imposition of the criminal penalty of a class B misdemeanor pursuant to 32B-4-304 and -510.

Alcoholic Beverage Control Act
32B-1-501 through -505
Part 5 - Attire, Conduct, and Entertainment Act

32B-1-501. Title.

This part is known as the "Attire, Conduct, and Entertainment Act."

32B-1-502. Purpose -- Application to other laws.

(1) This part establishes reasonable and uniform time, place, and manner of operation requirements relating to attire, conduct, and sexually oriented entertainers on premises or at an event at which an alcoholic product is sold, offered for sale, furnished, or allowed to be consumed under a retail license or permit issued by the commission so as to:

(a) reduce the adverse secondary effects that the attire, conduct, and sexually oriented entertainers may have upon communities of this state; and

(b) protect the health, peace, safety, welfare, and morals of the residents of communities of this state.

(2) Nothing in this part allows the showing or display of any matter that is contrary to:

(a) applicable federal or state statutes prohibiting obscenity; or

(b) state statutes relating to lewdness or indecent public displays.

(3) A local authority may be more restrictive of attire, conduct, or sexually oriented entertainers of the type prohibited in this part.

32B-1-503. Definitions.

Reserved

32B-1-504. General requirements on attire and conduct.

The following attire and conduct on premises or at an event regulated by the commission under this title are considered contrary to the public health, peace, safety, welfare, and morals, and are prohibited:

(1) employing or using a person in the sale, offer for sale, or furnishing of an alcoholic product while the person is in:

(a) a state of nudity;

(b) a state of seminudity; or

(c) performance attire or clothing that exposes to view any portion of:

(i) the female breast below the top of the areola; or

(ii) the cleft of the buttocks;

(2) employing or using the services of a person to mingle with patrons while the person is in:

(a) a state of nudity;

(b) a state of seminudity; or

(c) performance attire or clothing that exposes to view any portion of:

(i) the female breast below the top of the areola; or

(ii) the cleft of the buttocks;

(3) encouraging or permitting a person to:

(a) engage in or simulate an act of:

(i) sexual intercourse;

(ii) masturbation;

(iii) sodomy;

(iv) bestiality;

(v) oral copulation;

(vi) flagellation; or

(vii) a sexual act that is prohibited by Utah law; or

(b) touch, caress, or fondle the breast, buttocks, anus, or genitals of any other person;

(4) permitting a person to wear or use a device or covering that:

- (a) is exposed to view; and
 - (b) simulates all or any portion of the human genitals, anus, pubic area, or female breast;
- (5) permitting a person to use an artificial device or inanimate object to depict an act prohibited by this section;
- (6) permitting a person to remain on premises or at an event who exposes to public view any portion of that person's:
- (a) genitals, pubic area, or anus; or
 - (b) in the case of a female, the areola and nipple of the breast; or
- (7) showing a film, still picture, electronic reproduction, or other visual reproduction depicting:
- (a) an act or simulated act of:
 - (i) sexual intercourse;
 - (ii) masturbation;
 - (iii) sodomy;
 - (iv) bestiality;
 - (v) oral copulation;
 - (vi) flagellation; or
 - (vii) a sexual act that is prohibited by Utah law;
 - (b) a person being touched, caressed, or fondled on the breast, buttocks, anus, or genitals;
 - (c) a scene wherein an artificial device or inanimate object is employed to depict, or a drawing is employed to portray, an act prohibited by this section; or
 - (d) a scene wherein a person displays the genitals or anus.

32B-1-505. Sexually oriented entertainer.

(1) Subject to the requirements of this part, live entertainment is permitted on premises or at an event regulated by the commission.

(2) Notwithstanding Subsection (1), a retail licensee or permittee may not permit a person to:

- (a) appear or perform in a state of nudity;
- (b) perform or simulate an act of:
 - (i) sexual intercourse;
 - (ii) masturbation;
 - (iii) sodomy;
 - (iv) bestiality;
 - (v) oral copulation;
 - (vi) flagellation; or
 - (vii) a sexual act that is prohibited by Utah law; or
- (c) touch, caress, or fondle the breast, buttocks, anus, or genitals.

(3) A sexually oriented entertainer may perform in a state of seminudity:

- (a) only in:
 - (i) a tavern; or
 - (ii) a social club license premises; and
- (b) only if:
 - (i) the windows, doors, and other apertures to the premises are darkened or otherwise constructed to prevent anyone outside the premises from seeing the performance; and
 - (ii) the outside entrance doors of the premises remain unlocked.

(4) A sexually oriented entertainer may perform only upon a stage or in a designated performance area that is:

- (a) approved by the commission in accordance with rules made by the commission;
- (b) configured so as to preclude a patron from:
 - (i) touching the sexually oriented entertainer; or
 - (ii) placing any money or object on or within the performance attire or the person of the sexually oriented entertainer; and

- (c) configured so as to preclude the sexually oriented entertainer from touching a patron.
- (5) A sexually oriented entertainer may not touch a patron:
- (a) during the sexually oriented entertainer's performance; or
 - (b) while the sexually oriented entertainer is dressed in performance attire.
- (6) A sexually oriented entertainer, while in the portion of the premises used by patrons, shall be dressed in opaque clothing which covers and conceals the sexually oriented entertainer's performance attire from the top of the breast to the knee.
- (7) A patron may not be on the stage or in the performance area while a sexually oriented entertainer is appearing or performing on the stage or in the performance area.
- (8) A patron may not:
- (a) touch a sexually oriented entertainer:
 - (i) during the sexually oriented entertainer's performance; or
 - (ii) while the sexually oriented entertainer is dressed in performance attire; or
 - (b) place money or any other object on or within the performance attire or the person of the sexually oriented entertainer.
- (9) A minor may not be on premises described in Subsection (3).
- (10) A person who appears or performs for the entertainment of patrons on premises or at an event regulated by the commission that is not a tavern or social club licensee:
- (a) may not appear or perform in a state of nudity or a state of seminudity; and
 - (b) may appear or perform in opaque clothing that completely covers the person's genitals, pubic area, and anus if the covering:
 - (i) is not less than the following at its widest point:
 - (A) four inches coverage width in the front of the human body; and
 - (B) five inches coverage width in the back of the human body;
 - (ii) does not taper to less than one inch wide at the narrowest point; and
 - (iii) if covering a female, completely covers the breast below the top of the areola.

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**U.S. DEPARTMENT OF THE TREASURY
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

REMINDER
Retailers Of Beverage Alcohol Products

If you sell beverage alcohol as part of your business, you must pay an annual special occupational tax. Beverage alcohol means distilled spirits, wine, beer, mixed drinks, and beer or wine coolers. This tax applies to persons who sell on or off premises or who provide alcoholic beverages as part of the cost of an item or service. You may owe this tax even when you will not make a profit or when you are exempt from income tax.

Detailed information, forms, and taxpayer assistance, is available at web site of the ALCOHOL AND TOBACCO TAX AND TRADE BUREAU:

<http://www.ttb.gov/alcohol/retailers/index.htm>

You must file and pay the special occupational tax on form ATF F 5630.5. You can print or download ATF Form 5630.5 or you can request a packet with the form and instructions by calling the Alcohol and Tobacco Tax and Trade Bureau's toll-free number at 800-937-8864 or local to 513-684-2979.

(REVISED APRIL 22, 2005)

Suspension of Special Occupational Tax Payments

Washington, D.C. - On October 22, 2004, H.R. 4520, the American Job Creations Act of 2004, was signed into law. As part of this act, the payment of Special Occupational Tax (SOT) will be suspended for certain businesses.

Although most taxpayers no longer will have to pay this tax during the suspension period, others will still be required to continue paying, and all taxpayers must still file the SOT Tax Return (TTB Form 5630.5) annually with the Alcohol and Tobacco Tax and Trade Bureau (TTB).

Currently, SOT is due by July 1 of every year for most businesses engaged in alcohol and tobacco industries at the manufacturing, wholesaling/importing, and retailing levels (tobacco retailers are not included).

With this new law, most SOT taxpayers will no longer be required to pay this tax for the period beginning July 1, 2005. The suspension of the SOT requirement will last three years and ends on June 30, 2008. No SOT is due for operations conducted between these dates.

Payment of SOT will no longer be required from producers, wholesalers, importers, and retailers of alcohol beverages, as well as manufacturers of non-beverage products.

SOT will remain due by Tax-Free Alcohol Users and Specially Denatured Alcohol Users and Dealers as well as Tobacco Products Manufacturers and Tobacco Export Warehouse Proprietors.

For all industry members, SOT remains due and payable for all persons in business and any new business until July 1, 2005. Any liabilities up until that date will still be due, even during the suspension period.

If you have questions regarding the suspension of SOT, please contact TTB's National Revenue Center at 1-(800) 937-8864 or (513) 684-2979.