

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 285
HOUSE BILL 2030

AN ACT

AMENDING SECTIONS 4-205.05 AND 4-244, ARIZONA REVISED STATUTES; RELATING TO LIQUOR REGULATIONS AND PROHIBITIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 4-205.05, Arizona Revised Statutes, is amended to
3 read:

4 4-205.05. Disposal of seized or recovered liquor

5 A. The director may issue a temporary permit ~~OF ANY SERIES~~ authorizing
6 the disposal at public auction of spirituous liquor that has been seized by
7 any agency of this state, the federal government, any political subdivision
8 of this state, any financial institution as defined in section 6-101 that has
9 a security interest in a license, ~~or~~ the federal government pursuant to
10 statute ~~OR A TRUSTEE IN BANKRUPTCY THAT ACQUIRES THE SPIRITUOUS LIQUOR OF A~~
11 ~~DEBTOR~~. A bid at a public auction shall not be accepted from a licensee if
12 the spirituous liquors offered for sale at the auction were seized ~~OR~~
13 ~~ACQUIRED~~ from that licensee. The director shall issue the permit only if
14 presented with proper documents of seizure by the appropriate official ~~OR THE~~
15 ~~APPOINTMENT OF A TRUSTEE IN BANKRUPTCY~~. The director may dispose of seized
16 spirituous liquor in whole or in part by public auction, by providing the
17 spirituous liquor to law enforcement for training purposes only, or both, or
18 by authorizing a qualified person to recycle the spirituous liquor.

19 B. Spirituous liquor with a stated expiration date on the label shall
20 not be offered for sale at public auction after the expiration date and shall
21 either be destroyed or disposed of as provided in this section. The licensed
22 wholesaler that distributes the spirituous liquor brand in that sales
23 territory may, but is not required to, accept a return of the liquor at no
24 cost for disposal or to enable it to be returned to the supplier.

25 Sec. 2. Section 4-244, Arizona Revised Statutes, is amended to read:

26 4-244. Unlawful acts

27 It is unlawful:

28 1. For a person to buy for resale, sell or deal in spirituous liquors
29 in this state without first having procured a license duly issued by the
30 board, ~~EXCEPT THAT THE DIRECTOR MAY ISSUE A TEMPORARY PERMIT OF ANY SERIES~~
31 ~~PURSUANT TO SECTION 4-205.05 TO A TRUSTEE IN BANKRUPTCY TO ACQUIRE AND~~
32 ~~DISPOSE OF THE SPIRITUOUS LIQUOR OF A DEBTOR~~.

33 2. For a person to sell or deal in alcohol for beverage purposes
34 without first complying with this title.

35 3. For a distiller, vintner, brewer or wholesaler knowingly to sell,
36 dispose of or give spirituous liquor to any person other than a licensee
37 except in sampling wares as may be necessary in the ordinary course of
38 business, except in donating spirituous liquor to a nonprofit organization
39 ~~which~~ ~~THAT~~ has obtained a special event license for the purpose of charitable
40 fund raising activities or except in donating spirituous liquor with a cost
41 to the distiller, brewer or wholesaler of up to five hundred dollars in a
42 calendar year to an organization that is exempt from federal income taxes
43 under section 501(c) (3), (4), (6) or (7) of the internal revenue code and
44 not licensed under this title.

1 4. For a distiller, vintner or brewer to require a wholesaler to offer
2 or grant a discount to a retailer, unless the discount has also been offered
3 and granted to the wholesaler by the distiller, vintner or brewer.

4 5. For a distiller, vintner or brewer to use a vehicle for trucking or
5 transportation of spirituous liquors unless there is affixed to both sides of
6 the vehicle a sign showing the name and address of the licensee and the type
7 and number of the person's license in letters not less than three and
8 one-half inches in height.

9 6. For a person to take or solicit orders for spirituous liquors
10 unless the person is a salesman or solicitor of a licensed wholesaler, a
11 salesman or solicitor of a distiller, brewer, vintner, importer or broker or
12 a registered retail agent.

13 7. For any retail licensee to purchase spirituous liquors from any
14 person other than a solicitor or salesman of a wholesaler licensed in this
15 state.

16 8. For a retailer to acquire an interest in property owned, occupied
17 or used by a wholesaler in the wholesaler's business, or in a license with
18 respect to the premises of the wholesaler.

19 9. Except as provided in paragraphs 10 and 11 of this section, for a
20 licensee or other person to sell, furnish, dispose of or give, or cause to be
21 sold, furnished, disposed of or given, to a person under the legal drinking
22 age or for a person under the legal drinking age to buy, receive, have in the
23 person's possession or consume spirituous liquor. This paragraph shall not
24 prohibit the employment by an off-sale retailer of persons who are at least
25 sixteen years of age to check out, if supervised by a person on the premises
26 who is at least nineteen years of age, package or carry merchandise,
27 including spirituous liquor, in unbroken packages, for the convenience of the
28 customer of the employer, if the employer sells primarily merchandise other
29 than spirituous liquor.

30 10. For a licensee to employ a person under nineteen years of age to
31 manufacture, sell or dispose of spirituous liquors. This paragraph shall not
32 prohibit the employment by an off-sale retailer of persons who are at least
33 sixteen years of age to check out, if supervised by a person on the premises
34 who is at least nineteen years of age, package or carry merchandise,
35 including spirituous liquor, in unbroken packages, for the convenience of the
36 customer of the employer, if the employer sells primarily merchandise other
37 than spirituous liquor.

38 11. For an on-sale retailer to employ a person under nineteen years of
39 age in any capacity connected with the handling of spirituous liquors. This
40 paragraph does not prohibit the employment by an on-sale retailer of a person
41 under nineteen years of age who cleans up the tables on the premises for
42 reuse, removes dirty dishes, keeps a ready supply of needed items and helps
43 clean up the premises.

44 12. For a licensee, when engaged in waiting on or serving customers, to
45 consume spirituous liquor or for a licensee or on-duty employee to be on or
46 about the licensed premises while in an intoxicated or disorderly condition.

1 13. For an employee of a retail licensee, during that employee's
2 working hours or in connection with such employment, to give to or purchase
3 for any other person, accept a gift of, purchase for himself or consume
4 spirituous liquor, except that:

5 (a) An employee of a licensee, during that employee's working hours or
6 in connection with the employment, while the employee is not engaged in
7 waiting on or serving customers, may give spirituous liquor to or purchase
8 spirituous liquor for any other person.

9 (b) An employee of an on-sale retail licensee, during that employee's
10 working hours or in connection with the employment, while the employee is not
11 engaged in waiting on or serving customers, may taste samples of beer or wine
12 not to exceed four ounces per day or distilled spirits not to exceed two
13 ounces per day provided by an employee of a wholesaler or distributor who is
14 present at the time of the sampling.

15 (c) An employee of an on-sale retail licensee, under the supervision
16 of a manager as part of the employee's training and education, while not
17 engaged in waiting on or serving customers may taste samples of distilled
18 spirits not to exceed two ounces per educational session or beer or wine not
19 to exceed four ounces per educational session, and provided that a licensee
20 shall not have more than two educational sessions in any thirty day period.

21 (d) An unpaid volunteer who is a bona fide member of a club and who is
22 not engaged in waiting on or serving spirituous liquor to customers may
23 purchase for himself and consume spirituous liquor while participating in a
24 scheduled event at the club. An unpaid participant in a food competition may
25 purchase for himself and consume spirituous liquor while participating in the
26 food competition.

27 (e) An unpaid volunteer of a special event licensee under section
28 4-203.02 may purchase and consume spirituous liquor while not engaged in
29 waiting on or serving spirituous liquor to customers at the special event.
30 This subdivision does not apply to an unpaid volunteer whose responsibilities
31 include verification of a person's legal drinking age, security or the
32 operation of any vehicle or heavy machinery.

33 14. For a licensee or other person to serve, sell or furnish spirituous
34 liquor to a disorderly or obviously intoxicated person, or for a licensee or
35 employee of the licensee to allow or permit a disorderly or obviously
36 intoxicated person to come into or remain on or about the premises, except
37 that a licensee or an employee of the licensee may allow an obviously
38 intoxicated person to remain on the premises for a period of time of not to
39 exceed thirty minutes after the state of obvious intoxication is known or
40 should be known to the licensee in order that a nonintoxicated person may
41 transport the obviously intoxicated person from the premises. For the
42 purposes of this section, "obviously intoxicated" means inebriated to the
43 extent that a person's physical faculties are substantially impaired and the
44 impairment is shown by significantly uncoordinated physical action or
45 significant physical dysfunction that would have been obvious to a reasonable
46 person.

1 15. For an on-sale or off-sale retailer or an employee of such retailer
2 to sell, dispose of, deliver or give spirituous liquor to a person between
3 the hours of 2:00 a.m. and 6:00 a.m.

4 16. For a licensee or employee to knowingly permit any person on or
5 about the licensed premises to give or furnish any spirituous liquor to any
6 person under twenty-one years of age or knowingly permit any person under
7 twenty-one years of age to have in the person's possession spirituous liquor
8 on the licensed premises.

9 17. For an on-sale retailer or an employee of such retailer to allow a
10 person to consume or possess spirituous liquors on the premises between the
11 hours of 2:30 a.m. and 6:00 a.m.

12 18. For an on-sale retailer to permit an employee or for an employee to
13 solicit or encourage others, directly or indirectly, to buy the employee
14 drinks or anything of value in the licensed premises during the employee's
15 working hours. No on-sale retailer shall serve employees or allow a patron
16 of the establishment to give spirituous liquor to, purchase liquor for or
17 drink liquor with any employee during the employee's working hours.

18 19. For an off-sale retailer or employee to sell spirituous liquor
19 except in the original unbroken container, to permit spirituous liquor to be
20 consumed on the premises or to knowingly permit spirituous liquor to be
21 consumed on adjacent property under the licensee's exclusive control.

22 20. For a person to consume spirituous liquor in a public place,
23 thoroughfare or gathering. The license of a licensee permitting a violation
24 of this paragraph on the premises shall be subject to revocation. This
25 paragraph does not apply to the sale of spirituous liquors on the premises of
26 and by an on-sale retailer. This paragraph also does not apply to a person
27 consuming beer from a broken package in a public recreation area or on
28 private property with permission of the owner or lessor or on the walkways
29 surrounding such private property or to a person consuming beer or wine from
30 a broken package in a public recreation area as part of a special event or
31 festival that is conducted under a license secured pursuant to section
32 4-203.02 or 4-203.03.

33 21. For a person to have possession of or to transport spirituous
34 liquor ~~which~~ THAT is manufactured in a distillery, winery, brewery or
35 rectifying plant contrary to the laws of the United States and this
36 state. Any property used in transporting such spirituous liquor shall be
37 forfeited to the state and shall be seized and disposed of as provided in
38 section 4-221.

39 22. For an on-sale retailer or employee to allow a person under the
40 legal drinking age to remain in an area on the licensed premises during those
41 hours in which its primary use is the sale, dispensing or consumption of
42 alcoholic beverages after the licensee, or the licensee's employees, know or
43 should have known that the person is under the legal drinking age. An
44 on-sale retailer may designate an area of the licensed premises as an area in
45 which spirituous liquor will not be sold or consumed for the purpose of
46 allowing underage persons on the premises if the designated area is separated

1 by a physical barrier and at no time will underage persons have access to the
2 area in which spirituous liquor is sold or consumed. A licensee or an
3 employee of a licensee may require a person who intends to enter a licensed
4 premises or a portion of a licensed premises where persons under the legal
5 drinking age are prohibited under this section to exhibit a written
6 instrument of identification that is acceptable under section 4-241 as a
7 condition of entry. The director, or a municipality, may adopt rules to
8 regulate the presence of underage persons on licensed premises provided the
9 rules adopted by a municipality are more stringent than those adopted by the
10 director. The rules adopted by the municipality shall be adopted by local
11 ordinance and shall not interfere with the licensee's ability to comply with
12 this paragraph. This paragraph does not apply:

13 (a) If the person under the legal drinking age is accompanied by a
14 spouse, parent or legal guardian of legal drinking age or is an on-duty
15 employee of the licensee.

16 (b) If the owner, lessee or occupant of the premises is a club as
17 defined in section 4-101, paragraph 7, subdivision (a) and the person under
18 the legal drinking age is any of the following:

19 (i) An active duty military service member.

20 (ii) A veteran.

21 (iii) A member of the United States army national guard or the United
22 States air national guard.

23 (iv) A member of the United States military reserve forces.

24 (c) To the area of the premises used primarily for the serving of food
25 during the hours when food is served.

26 23. For an on-sale retailer or employee to conduct drinking contests,
27 to sell or deliver to a person an unlimited number of spirituous liquor
28 beverages during any set period of time for a fixed price, to deliver more
29 than forty ounces of beer, one liter of wine or four ounces of distilled
30 spirits in any spirituous liquor drink to one person at one time for that
31 person's consumption or to advertise any practice prohibited by this
32 paragraph. The provisions of this paragraph do not prohibit an on-sale
33 retailer or employee from selling and delivering an opened, original
34 container of distilled spirits if:

35 (a) Service or pouring of the spirituous liquor is provided by an
36 employee of the on-sale retailer.

37 (b) The employee of the on-sale retailer monitors consumption to
38 ensure compliance with this paragraph. Locking devices may be used, but are
39 not required.

40 24. For a licensee or employee to knowingly permit the unlawful
41 possession, use, sale or offer for sale of narcotics, dangerous drugs or
42 marijuana on the premises. As used in this paragraph, "dangerous drug" has
43 the same meaning prescribed in section 13-3401.

44 25. For a licensee or employee to knowingly permit prostitution or the
45 solicitation of prostitution on the premises.

1 26. For a licensee or employee to knowingly permit unlawful gambling on
2 the premises.

3 27. For a licensee or employee to knowingly permit trafficking or
4 attempted trafficking in stolen property on the premises.

5 28. For a licensee or employee to fail or refuse to make the premises
6 or records available for inspection and examination as provided in this title
7 or to comply with a lawful subpoena issued under this title.

8 29. For any person other than a peace officer or a member of a
9 sheriff's volunteer posse while on duty who has received firearms training
10 that is approved by the Arizona peace officer standards and training board, [A RETIRED PEACE OFFICER AS DEFINED IN SECTION 38-1113 OR AN HONORABLY RETIRED](#)
11 [LAW ENFORCEMENT OFFICER WHO HAS BEEN ISSUED A CERTIFICATE OF FIREARMS](#)
12 [PROFICIENCY PURSUANT TO SECTION 13-3112, SUBSECTION T](#), the licensee or an
13 employee of the licensee acting with the permission of the licensee to be in
14 possession of a firearm while on the licensed premises of an on-sale
15 retailer. This paragraph shall not be construed to include a situation in
16 which a person is on licensed premises for a limited time in order to seek
17 emergency aid and such person does not buy, receive, consume or possess
18 spirituous liquor. This paragraph shall not apply to:

19 (a) Hotel or motel guest room accommodations.

20 (b) The exhibition or display of a firearm in conjunction with a
21 meeting, show, class or similar event.

22 (c) A person with a permit issued pursuant to section 13-3112 who
23 carries a concealed handgun on the licensed premises of any on-sale retailer
24 that has not posted a notice pursuant to section 4-229.

25 30. For a licensee or employee to knowingly permit a person in
26 possession of a firearm other than a peace officer or a member of a sheriff's
27 volunteer posse while on duty who has received firearms training that is
28 approved by the Arizona peace officer standards and training board, [A RETIRED](#)
29 [PEACE OFFICER AS DEFINED IN SECTION 38-1113 OR AN HONORABLY RETIRED LAW](#)
30 [ENFORCEMENT OFFICER WHO HAS BEEN ISSUED A CERTIFICATE OF FIREARMS PROFICIENCY](#)
31 [PURSUANT TO SECTION 13-3112, SUBSECTION T](#), the licensee or an employee of the
32 licensee acting with the permission of the licensee to remain on the licensed
33 premises or to serve, sell or furnish spirituous liquor to a person in
34 possession of a firearm while on the licensed premises of an on-sale
35 retailer. It shall be a defense to action under this paragraph if the
36 licensee or employee requested assistance of a peace officer to remove such
37 person. This paragraph shall not apply to:

38 (a) Hotel or motel guest room accommodations.

39 (b) The exhibition or display of a firearm in conjunction with a
40 meeting, show, class or similar event.

41 (c) A person with a permit issued pursuant to section 13-3112 who
42 carries a concealed handgun on the licensed premises of any on-sale retailer
43 that has not posted a notice pursuant to section 4-229.

44 31. For any person in possession of a firearm while on the licensed
45 premises of an on-sale retailer to consume spirituous liquor. This paragraph
46

1 does not prohibit the consumption of small amounts of spirituous liquor by an
2 undercover peace officer on assignment to investigate the licensed
3 establishment.

4 32. For a licensee or employee to knowingly permit spirituous liquor to
5 be removed from the licensed premises, except in the original unbroken
6 package. This paragraph does not apply to any of the following:

7 (a) A person who removes a bottle of wine ~~which~~ THAT has been
8 partially consumed in conjunction with a purchased meal from licensed
9 premises if a cork is inserted flush with the top of the bottle or the bottle
10 is otherwise securely closed.

11 (b) A person who is in licensed premises that have noncontiguous
12 portions that are separated by a public or private walkway or driveway and
13 who takes spirituous liquor from one portion of the licensed premises across
14 the public or private walkway or driveway directly to the other portion of
15 the licensed premises.

16 (c) A bar, beer and wine bar, liquor store, beer and wine store or
17 microbrewery licensee who dispenses beer only in a clean container composed
18 of a material approved by a national sanitation organization with a maximum
19 capacity that does not exceed one gallon and not for consumption on the
20 premises if:

21 (i) The licensee or the licensee's employee fills the container at the
22 tap at the time of sale.

23 (ii) The container is sealed with a plastic adhesive and displays a
24 government warning label.

25 (iii) The dispensing of that beer is not done through a drive-through
26 or walk-up service window.

27 The department shall review the effects of this subdivision and submit a
28 report by July 1, 2015 on the effects of this subdivision to the governor,
29 the speaker of the house of representatives and the president of the senate.
30 The department shall provide a copy of this report to the secretary of state.

31 33. For a person who is obviously intoxicated to buy or attempt to buy
32 spirituous liquor from a licensee or employee of a licensee or to consume
33 spirituous liquor on licensed premises.

34 34. For a person under twenty-one years of age to drive or be in
35 physical control of a motor vehicle while there is any spirituous liquor in
36 the person's body.

37 35. For a person under twenty-one years of age to operate or be in
38 physical control of a motorized watercraft that is underway while there is
39 any spirituous liquor in the person's body. For the purposes of this
40 paragraph, "underway" has the same meaning prescribed in section 5-301.

41 36. For a licensee, manager, employee or controlling person to
42 purposely induce a voter, by means of alcohol, to vote or abstain from voting
43 for or against a particular candidate or issue on an election day.

44 37. For a licensee to fail to report an occurrence of an act of
45 violence to either the department or a law enforcement agency.

1 38. For a licensee to use a vending machine for the purpose of
2 dispensing spirituous liquor.

3 39. For a licensee to offer for sale a wine carrying a label including
4 a reference to Arizona or any Arizona city, town or geographic location
5 unless at least seventy-five ~~per-cent~~ PERCENT by volume of the grapes used in
6 making the wine were grown in Arizona.

7 40. For a retailer to knowingly allow a customer to bring spirituous
8 liquor onto the licensed premises, except that an on-sale retailer may allow
9 a wine and food club to bring wine onto the premises for consumption by the
10 club's members and guests of the club's members in conjunction with meals
11 purchased at a meeting of the club that is conducted on the premises and that
12 at least seven members attend. An on-sale retailer who allows wine and food
13 clubs to bring wine onto its premises under this paragraph shall comply with
14 all applicable provisions of this title and any rules adopted pursuant to
15 this title to the same extent as if the on-sale retailer had sold the wine to
16 the members of the club and their guests. For the purposes of this
17 paragraph, "wine and food club" means an association that has more than
18 twenty bona fide members paying at least six dollars per year in dues and
19 that has been in existence for at least one year.

20 41. For a person under twenty-one years of age to have in the person's
21 body any spirituous liquor. In a prosecution for a violation of this
22 paragraph:

23 (a) Pursuant to section 4-249, it is a defense that the spirituous
24 liquor was consumed in connection with the bona fide practice of a religious
25 belief or as an integral part of a religious exercise and in a manner not
26 dangerous to public health or safety.

27 (b) Pursuant to section 4-226, it is a defense that the spirituous
28 liquor was consumed for a bona fide medicinal purpose and in a manner not
29 dangerous to public health or safety.

30 42. For an employee of a licensee to accept any gratuity, compensation,
31 remuneration or consideration of any kind to either:

32 (a) Permit a person who is under twenty-one years of age to enter any
33 portion of the premises where that person is prohibited from entering
34 pursuant to paragraph 22 of this section.

35 (b) Sell, furnish, dispose of or give spirituous liquor to a person
36 who is under twenty-one years of age.

37 43. For a person to purchase, offer for sale or use any device, machine
38 or process ~~which~~ THAT mixes spirituous liquor with pure oxygen or another gas
39 to produce a vaporized product for the purpose of consumption by inhalation
40 or to allow patrons to use any item for the consumption of vaporized
41 spirituous liquor.

42 44. For a retail licensee or an employee of a retail licensee to sell
43 spirituous liquor to a person if the retail licensee or employee knows the
44 person intends to resell the spirituous liquor.

45 45. Except as authorized by paragraph 32, subdivision (c) of this
46 section, for a person to reuse a bottle or other container authorized for use

1 by the laws of the United States or any agency of the United States for the
2 packaging of distilled spirits or for a person to increase the original
3 contents or a portion of the original contents remaining in a liquor bottle
4 or other authorized container by adding any substance.

APPROVED BY THE GOVERNOR MAY 17, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 17, 2016.