1 Strike everything after the enacting clause and insert:
2    “Section 1. Section 4-207, Arizona Revised Statutes, is amended to read:
3    4-207. Restrictions on licensing premises near school or church buildings; definitions
4
5    A. A retailer's license shall not be issued for any premises that are, at the time the license application is received by the director, within three hundred horizontal feet of a church, within three hundred horizontal feet of a public or private school building with kindergarten programs or any of grades one through twelve or within three hundred horizontal feet of a fenced recreational area adjacent to such school building. This section does not prohibit the renewal of a valid license issued pursuant to this title if, on the date that the original application for the license is filed, the premises were not within three hundred horizontal feet of a church, within three hundred horizontal feet of a public or private school building with kindergarten programs or any of grades one through twelve or within three hundred horizontal feet of a fenced recreational area adjacent to such school building.
6
7    B. Subsection A of this section does not apply to a:
8    1. Restaurant issued a license pursuant to section 4-205.02.
9    2. Special event license issued pursuant to section 4-203.02.
10   3. Hotel-motel issued a license pursuant to section 4-205.01.
11   4. Government license issued pursuant to section 4-205.03.
5. Playing area of a golf course issued a license pursuant to this article.

6. A beer and wine license at a not-for-profit performing arts theatre with a permanent seating capacity of at least two hundred fifty persons.

7. Grocery store with or that is applying for a beer and wine store license or a liquor store license if the store meets all of the following conditions:
   - The store consists of at least four thousand five hundred square feet of retail space that is covered by a roof.
   - The store does not hold multiple active licenses issued pursuant to this title.
   - The store offers fresh produce for sale.
   - The store does not provide drive-through service for spirituous liquor sales.

C. Notwithstanding subsection A of this section:

1. A transferable spirituous liquor license that is validly issued and that is, on the date an application for a transfer is filed, within three hundred horizontal feet of a church, within three hundred horizontal feet of a public or private school building with kindergarten programs or any of grades one through twelve or within three hundred horizontal feet of a fenced recreational area adjacent to such school building may be transferred person to person pursuant to sections 4-201, 4-202 and 4-203 and remains in full force until the license is terminated in any manner, unless renewed pursuant to section 4-209, subsection A.

2. A person may be issued a spirituous liquor license pursuant to sections 4-201, 4-202 and 4-203 of the same class for premises that, on the date the application is filed, have a valid transferable or nontransferable license of the same series if the premises are, on the date an application for such license is filed, within three hundred horizontal feet of a church, within three hundred horizontal feet of a public or private school building with kindergarten programs or any of grades one through twelve or within
three hundred horizontal feet of a fenced recreational area adjacent to such
school building and the license remains in full force until the license is
terminated in any manner, unless renewed pursuant to section 4-209,
subsection A.

3. A person may be issued a liquor store license pursuant to sections
4-201, 4-202, 4-203 and 4-206.01 for premises that have a beer and wine store
license validly issued if the premises, on the date an application for such
license is filed, are within three hundred horizontal feet of a church,
within three hundred horizontal feet of a public or private school building
with kindergarten programs or any of grades one through twelve or within
three hundred horizontal feet of a fenced recreational area adjacent to such
school building and the license remains in full force until the license is
terminated in any manner, unless renewed pursuant to section 4-209,
subsection A.

4. The governing body of a city or town, on a case-by-case basis, may
approve an exemption from the distance restrictions prescribed in this
section for a church or a public or private school that is located in an area
that is designated an entertainment district by the governing body of that
city or town. A city or town with a population of at least five hundred
thousand persons may designate no more than three entertainment districts
within the boundaries of the city or town pursuant to this paragraph. A city
or town with a population of at least two hundred thousand persons but less
than five hundred thousand persons may designate no more than two
entertainment districts within the boundaries of the city or town pursuant to
this paragraph. A city or town with a population of less than two hundred
thousand persons may designate no more than one entertainment district within
the boundaries of the city or town pursuant to this paragraph.

5. A person may be issued a beer and wine store license pursuant to
sections 4-201, 4-202, 4-203 and 4-206.01 for premises that have a liquor
store license validly issued if the premises, on the date of an application
for which the license is filed, are within three hundred horizontal feet of a
church, within three hundred horizontal feet of a public or private school
building with kindergarten programs or any of grades one through twelve or within three hundred horizontal feet of a fenced recreation area adjacent to such school building and the license remains in full force until the license is terminated in any manner, unless renewed pursuant to section 4-209, subsection A.

D. A GROCERY STORE THAT IS WITHIN THREE HUNDRED HORIZONTAL FEET OF A CHURCH, WITHIN THREE HUNDRED HORIZONTAL FEET OF A PUBLIC OR PRIVATE SCHOOL BUILDING WITH KINDERGARTEN PROGRAMS OR ANY OF GRADES ONE THROUGH TWELVE OR WITHIN THREE HUNDRED HORIZONTAL FEET OF A FENCED RECREATIONAL AREA ADJACENT TO SUCH SCHOOL BUILDING MAY CONTINUE TO HOLD A PREVIOUSLY ISSUED BEER AND WINE BAR OR LIQUOR STORE LICENSE IF THE STORE CONTINUES TO DERIVE LESS THAN SIXTY PERCENT OF ITS GROSS REVENUE FROM THE SALE OF SPIRITUOUS LIQUOR.

E. A GROCERY STORE THAT IS WITHIN THREE HUNDRED HORIZONTAL FEET OF A CHURCH, WITHIN THREE HUNDRED HORIZONTAL FEET OF A PUBLIC OR PRIVATE SCHOOL BUILDING WITH KINDERGARTEN PROGRAMS OR ANY OF GRADES ONE THROUGH TWELVE OR WITHIN THREE HUNDRED HORIZONTAL FEET OF A FENCED RECREATIONAL AREA ADJACENT TO SUCH SCHOOL BUILDING AND THAT MEETS THE CONDITIONS PRESCRIBED IN SUBSECTION B, PARAGRAPH 7 OF THIS SECTION SHALL SUBMIT THE BUILDING PLANS OF THE STORE TO THE DIRECTOR. IF THE DIRECTOR DETERMINES THAT THE PRIMARY PURPOSE OF THE GROCERY STORE IS TO SELL SPIRITUOUS LIQUOR, THE DIRECTOR MAY REVOKE OR DENY THE LICENSE.

F. IF THE DEPARTMENT DETERMINES THAT RANDOM AUDITS ARE NECESSARY, THE DIRECTOR MAY CONDUCT RANDOM AUDITS OF GROCERY STORES THAT ARE WITHIN THREE HUNDRED HORIZONTAL FEET OF A CHURCH, WITHIN THREE HUNDRED HORIZONTAL FEET OF A PUBLIC OR PRIVATE SCHOOL BUILDING WITH KINDERGARTEN PROGRAMS OR ANY OF GRADES ONE THROUGH TWELVE OR WITHIN THREE HUNDRED HORIZONTAL FEET OF A FENCED RECREATIONAL AREA ADJACENT TO SUCH SCHOOL BUILDING AND THAT MEET THE CONDITIONS PRESCRIBED IN SUBSECTION B, PARAGRAPH 7 OF THIS SECTION. IF THE AUDIT FINDINGS DEMONSTRATE THAT A GROCERY STORE DOES NOT MEET THE CONDITIONS PRESCRIBED IN SUBSECTION B, PARAGRAPH 7 OF THIS SECTION, THE DIRECTOR MAY DENY, REVOKE OR SUSPEND THE LICENSE.

G. For the purposes of this section:
1. "Church" means a building which THAT is erected or converted for
use as a church, where services are regularly convened, that is used
primarily for religious worship and schooling and that a reasonable person
would conclude is a church by reason of design, signs or architectural or
other features.

2. "Entertainment district" means a specific contiguous area that is
designated an entertainment district by a resolution adopted by the governing
body of a city or town, that consists of no more than one square mile, that
is no less than one-eighth of a mile in width and that contains a significant
number of entertainment, artistic and cultural venues, including music halls,
concert facilities, theaters, arenas, stadiums, museums, studios, galleries,
restaurants, bars and other related facilities."

Amend title to conform

ANTHONY KERN