

REFERENCE TITLE: liquor; licensing; processes; procedures

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HB 2660

Introduced by
Representative Weninger

AN ACT

AMENDING SECTIONS 4-203.03, 4-205.04, 4-207, 4-209 AND 4-210, ARIZONA REVISED STATUTES; AMENDING TITLE 4, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 4-215; AMENDING SECTIONS 4-243.03 AND 4-244, ARIZONA REVISED STATUTES; RELATING TO LIQUOR.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 4-203.03, Arizona Revised Statutes, is amended
3 to read:

4 4-203.03. Farm winery festival license; farm winery fair
5 license; fee

6 A. The director may issue on a temporary basis a farm winery
7 festival license that authorizes:

8 1. The sampling of the farm winery products on the farm winery
9 festival premises.

10 2. The sale of products for consumption on the farm winery festival
11 premises.

12 3. The sale of products in the original container for consumption
13 off the farm winery festival premises.

14 B. Before the director may issue a farm winery festival license, a
15 farm winery festival that is to occur at an otherwise unlicensed location
16 or at a location that is not fully within the licensee's existing licensed
17 premises must be approved by the county board of supervisors, or the
18 board's designee, if the event is to be held in an unincorporated area or
19 by the governing body of the city or town, or the governing body's
20 designee, if the event is to be held in a city or town. A denial by the
21 county, city or town must be forwarded to the director within sixty days
22 after the submission of an application to the county, city or town, unless
23 the applicant has requested more time for consideration of the
24 application.

25 C. The approval process prescribed in this section does not apply
26 to physical locations that are fully located within a premises that is
27 licensed pursuant to this title.

28 D. The director may issue one or more farm winery festival licenses
29 for each farm winery licensed pursuant to this title, for a total of up to
30 one hundred fifty calendar days for each farm winery. The director may
31 establish a fee for each day of each event for a farm winery festival
32 license.

33 E. Any farm winery may apply for a farm winery festival license
34 pursuant to this section.

35 F. A representative of the licensed farm winery may consume small
36 amounts of the products of the licensed farm winery on the festival
37 premises for the purpose of quality control. The wine may include wine
38 produced pursuant to section 4-205.04, ~~subsections~~ **SUBSECTION D** ~~and E~~.

39 G. The director may issue a farm winery fair license. With the
40 permission of state fair organizers or county fair organizers, any farm
41 winery may allow the sampling of farm winery products on the fair
42 premises, the sale of the products for consumption on the fair premises
43 and the sale of the products in original containers for consumption off of
44 the fair premises at any sanctioned state fair or county fair. The

1 director may establish a per-day fee for each event for a farm winery fair
2 license.

3 H. Section 4-201 does not apply to the licenses provided for under
4 this section.

5 Sec. 2. Section 4-205.04, Arizona Revised Statutes, is amended to
6 read:

7 4-205.04. Farm winery license; issuance; regulatory
8 provisions; retail site; fee

9 A. The director may issue a farm winery license to any person who
10 meets the requirements of subsection C of this section. Each location
11 that engages in producing or manufacturing these products must obtain a
12 separate farm winery license. The licensee may not transfer the farm
13 winery license from person to person or from location to location.

14 B. An applicant for a farm winery license, at the time of filing
15 the application for the license, shall accompany the application with the
16 license fee. A person who holds a farm winery license shall report
17 annually at the end of each calendar year, at the time and in the manner
18 as the director prescribes, the amount of wine produced or manufactured by
19 the licensee during the calendar year. In addition to any provision of
20 this title, if the total amount of wine produced or manufactured during
21 the year exceeds the amount permitted annually by the license, the
22 licensee shall apply for and receive a producer's license only on
23 surrender of the farm winery license or licenses.

24 C. A person may be licensed as a farm winery to sell wine produced
25 or manufactured if in a calendar year it produces at least two hundred
26 gallons and not more than forty thousand gallons of wine and if the winery
27 either holds a winery permit issued by the United States alcohol and
28 tobacco tax and trade bureau or has a contract pursuant to subsection ~~E~~ D
29 of this section for the production or manufacturing of wine from grapes or
30 other fruit grown on at least five producing acres of land owned or
31 controlled by the applicant and the land has been devoted to fruit growing
32 for at least three consecutive calendar years. A licensed farm winery may
33 make sales and deliveries of wine only as specifically provided in this
34 section and as follows:

35 1. A licensed farm winery may make sales and deliveries of wine to
36 wholesalers licensed to sell wine under this title.

37 2. A licensed farm winery may serve wine produced or manufactured
38 on the premises for the purpose of sampling the wine. The wine may
39 include wine produced pursuant to ~~subsections~~ SUBSECTION D ~~and E~~ of this
40 section.

41 3. A representative of the licensed farm winery may consume small
42 amounts of the products of the licensed farm winery on the premises for
43 the purpose of sampling the wine. The wine may include wine produced
44 pursuant to ~~subsections~~ SUBSECTION D ~~and E~~ of this section.

1 4. A licensed farm winery may sell to a consumer physically present
2 on the premises wine produced or manufactured on the premises in the
3 original container for consumption on or off the premises. The wine may
4 include wine produced pursuant to ~~subsections~~ SUBSECTION D ~~and E~~ of this
5 section.

6 5. A licensed farm winery may purchase and sell wine produced,
7 packaged and labeled by another licensed farm winery for sampling and
8 consumption on or off the premises only if the retail sale is to a
9 consumer physically present on the premises of the farm winery, except
10 that the sales of wine produced, packaged and labeled by another winery
11 may not exceed twenty percent of the farm winery's sales by volume. The
12 percentage limitation shall not apply to wine produced pursuant to
13 ~~subsections~~ SUBSECTION D ~~and E~~ of this section.

14 6. If the licensed farm winery is not otherwise engaged in the
15 business of a distiller, vintner, brewer, rectifier, blender or other
16 producer of spirituous liquor in any jurisdiction, the licensed farm
17 winery may hold licenses prescribed in section 4-209, subsection B,
18 paragraph 12 on the licensed farm winery premises or other retail
19 premises. Except as provided in paragraph 5 of this subsection, the
20 licensed farm winery shall purchase all other spirituous liquor for sale
21 at the on-sale retail premises from wholesalers that are licensed in this
22 state, except that a licensed farm winery may:

23 (a) Purchase wine from other farm wineries pursuant to paragraph 7
24 of this subsection.

25 (b) Make deliveries of the wine that the farm winery produces to
26 the farm winery's own commonly controlled retail licensed premises.

27 7. A licensed farm winery that produces not more than twenty
28 thousand gallons of wine in a calendar year may make sales and deliveries
29 of the wine that the licensed farm winery produces to on-sale and off-sale
30 retailers.

31 8. Notwithstanding section 4-244, paragraphs 3 and 7, an on-sale or
32 off-sale retailer may purchase and accept delivery of wine from a licensed
33 farm winery pursuant to paragraph 7 of this subsection.

34 9. A licensed farm winery that produces not more than twenty
35 thousand gallons of wine in a calendar year may make sales and deliveries
36 of wine that the licensed farm winery produces to consumers off of the
37 licensed premises and that is ordered by telephone, mail, fax or
38 catalogue, through the internet or by other means if all of the following
39 apply:

40 (a) The purchaser of the wine provided the licensed farm winery
41 with verification of the purchaser's legal age to purchase alcohol.

42 (b) The shipping container in which the wine is shipped is marked
43 to require the signature on delivery of an adult who is of legal age to
44 purchase alcohol and delivery confirmation.

45 (c) The wine is for personal use only and not for resale.

1 (d) The wine is delivered by the licensed farm winery or shipped by
2 the licensed farm winery by a common carrier to a residential or business
3 address other than a premises licensed pursuant to this title.

4 (e) The purchaser could have carried the wine lawfully into or
5 within this state.

6 (f) The delivery is made by a person who is at least twenty-one
7 years of age.

8 (g) The farm winery collects payment for the price of the
9 spirituous liquor ~~no~~ NOT later than at the time of delivery.

10 10. A licensed farm winery may make sales and deliveries as
11 expressly permitted by sections 4-203.03, 4-203.04 and 4-244.04.

12 ~~D. On application by one or more persons, the director may approve~~
13 ~~applications for grouping two or more farm winery licenses at one location~~
14 ~~under a plan of alternating proprietorships if a licensed winery has~~
15 ~~received approval of the alternating proprietorship by the United States~~
16 ~~alcohol and tobacco tax and trade bureau and the participating wineries~~
17 ~~operate under the regulations and guidelines that are issued by the United~~
18 ~~States alcohol and tobacco tax and trade bureau. Each participating~~
19 ~~winery is responsible for filing all reports that relate to its wine~~
20 ~~production or manufacturing with the United States alcohol and tobacco tax~~
21 ~~and trade bureau and the department.~~

22 ~~F. D.~~ D. A person otherwise qualified to receive a farm winery
23 license may enter into a custom crush arrangement where a licensed winery
24 produces or manufactures wine from grapes or other fruit supplied by the
25 person. The winery receiving the fruit shall be licensed by the United
26 States alcohol and tobacco tax and trade bureau and the department and is
27 responsible for filing all reports that relate to its wine production or
28 manufacturing with the United States alcohol and tobacco tax and trade
29 bureau and the department. Each person supplying the grapes or other
30 fruit shall first apply for and receive a farm winery license and shall
31 report to the department all volumes of wine from its custom crush
32 arrangements, which shall not be allocated to the gallonage of the
33 receiving farm winery if the supplying farm winery has an active basic
34 permit issued by the United States alcohol and tobacco tax and trade
35 bureau.

36 ~~F. E.~~ E. On application by a farm winery licensee, the director may
37 authorize a farm winery licensee to operate up to two remote tasting and
38 retail premises if:

39 1. The wine sold at the premises is limited to wine produced or
40 manufactured by the licensed farm winery and wines produced or
41 manufactured by other licensed farm wineries, including wines produced or
42 manufactured pursuant to ~~subsections~~ SUBSECTION D ~~and E~~ of this section.
43 The farm winery may sell wine to a consumer physically present on the
44 premises for consumption on or off the premises. Sales of wines not
45 produced or manufactured by the farm winery are limited to ~~no~~ NOT more

1 than twenty percent of the total sales by volume at that location. The
2 percentage limitation shall not apply to wine produced pursuant to
3 ~~subsections~~ SUBSECTION D ~~and E~~ of this section.

4 2. The farm winery licensee:

5 (a) Remains responsible for the premises.

6 (b) Obtains approval for the premises from the local governing body
7 before submitting an application to the department. A copy of an order
8 from the local governing body recommending approval of the premises must
9 be filed with the department as part of the application.

10 (c) Does not sublease the premises.

11 (d) Has an agent who is a natural person who meets the
12 qualifications of licensure in this state.

13 (e) Meets the qualifications for a license pursuant to section
14 4-203, subsection A.

15 ~~G.~~ F. A farm winery licensee may hold a craft distiller license
16 issued pursuant to section 4-205.10. The farm winery and craft distiller
17 licensee is subject to all other requirements of this section and section
18 4-205.10. The farm winery may provide sampling and sales of the distilled
19 spirits pursuant to section 4-205.10, subsection C, paragraphs 2 and 3 on
20 the same premises as the wine sampling and retail sales.

21 ~~H.~~ G. The farm winery is liable for any violation committed in
22 connection with any sale or delivery of the wine. The rules adopted by
23 the director pursuant to section 4-203, subsection J apply to the delivery
24 of wine under subsection C, paragraph 9 of this section. An act or
25 omission of any person who makes a sale or delivery of wine for a licensee
26 under subsection C, paragraph 9 of this section is deemed to be an act or
27 omission of the licensee for the purposes of section 4-210, subsection A,
28 paragraph 9.

29 ~~I.~~ H. A farm winery that sells or delivers wine pursuant to this
30 section shall:

31 1. Pay to the department of revenue all luxury taxes imposed
32 pursuant to title 42, chapter 3 and all transaction privilege or use taxes
33 imposed pursuant to title 42, chapter 5.

34 2. File all returns or reports required by law.

35 ~~J.~~ I. A delivery of wine by a farm winery to a purchaser in this
36 state is a transaction deemed to have occurred in this state.

37 ~~K.~~ J. The director shall adopt rules in order to administer this
38 section.

39 ~~L.~~ K. The director may charge an additional farm winery license
40 fee adopted pursuant to section 4-209 for ~~the issuance of~~ ISSUING
41 licenses, authorizations or approvals pursuant to subsections D, ~~AND~~ E
42 ~~and F~~ of this section.

43 ~~M.~~ L. The farm winery licensee that operates primarily as a remote
44 tasting room premises may exchange the farm winery license for a remote
45 tasting room license without an additional fee, not later than

1 December 31, 2018. The new remote tasting room license must be connected
2 to a farm winery license, with common ownership, that complies with all
3 requirements for a farm winery license pursuant to subsections C and ~~F~~ E
4 of this section.

5 ~~N~~ M. Production and storage space of the farm winery is excluded
6 from the licensed farm winery premises and is not the public area unless
7 that space is also used for the sale of wine to the public or consumption
8 of or sampling of wine by the public or to provide other services to the
9 public. Pursuant to section 4-118, the director, the director's agents or
10 any peace officer may inspect spaces excluded by this subsection. For the
11 purposes of this subsection, "public area" means a place within a farm
12 winery that is accessible to the public and in which the farm winery
13 authorizes the presence of members of the public.

14 Sec. 3. Section 4-207, Arizona Revised Statutes, is amended to
15 read:

16 4-207. Restrictions on licensing premises near school
17 buildings; definition

18 A. A retailer's license shall not be issued for any premises that
19 are, at the time the license application is received by the director,
20 ~~within three hundred horizontal feet of a church,~~ within three hundred
21 horizontal feet of a public or private school building with kindergarten
22 programs or any of grades one through twelve or within three hundred
23 horizontal feet of a fenced recreational area adjacent to such school
24 building. This section does not prohibit the renewal of a valid license
25 issued pursuant to this title if, on the date that the original
26 application for the license is filed, the premises were not ~~within three~~
27 ~~hundred horizontal feet of a church,~~ within three hundred horizontal feet
28 of a public or private school building with kindergarten programs or any
29 of grades one through twelve or within three hundred horizontal feet of a
30 fenced recreational area adjacent to such school building.

31 B. Subsection A of this section does not apply to a:

32 1. Restaurant issued a license pursuant to section 4-205.02,
33 subject to the limitations in section 4-205.02, subsection H, ~~for~~ for a
34 permit allowing for the sale of beer for consumption off of the licensed
35 premises pursuant to section 4-244, paragraph 32, subdivision (c).

36 2. Special event license issued pursuant to section 4-203.02.

37 3. Hotel-motel issued a license pursuant to section 4-205.01.

38 4. Government license issued pursuant to section 4-205.03.

39 5. Playing area of a golf course issued a license pursuant to this
40 article.

41 6. Beer and wine license at a ~~not-for-profit~~ NONPROFIT performing
42 arts theatre with a permanent seating capacity of at least two hundred
43 fifty persons.

44 7. Craft distillery festival license issued pursuant to section
45 4-205.11.

1 8. Farm winery festival license issued pursuant to section
2 4-203.03.

3 C. Notwithstanding subsection A of this section:

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

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

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

34 4. The governing body of a city or town, on a case-by-case basis,
35 may approve an exemption from the distance restrictions prescribed in this
36 section for ~~a church or~~ a public or private school that is located in an
37 area that is designated an entertainment district by the governing body of
38 that city or town. A city or town with a population of at least five
39 hundred thousand persons may designate ~~no~~ NOT more than three
40 entertainment districts within the boundaries of the city or town pursuant
41 to this paragraph. A city or town with a population of at least two
42 hundred thousand persons but less than five hundred thousand persons may
43 designate ~~no~~ NOT more than two entertainment districts within the
44 boundaries of the city or town pursuant to this paragraph. A city or town
45 with a population of less than two hundred thousand persons may designate

1 ~~no~~ NOT more than one entertainment district within the boundaries of the
2 city or town pursuant to this paragraph.

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

13 D. For the purposes of this section, ~~:-~~

14 ~~1. "Church" means a building that is erected or converted for use~~
15 ~~as a church, where services are regularly convened, that is used primarily~~
16 ~~for religious worship and schooling and that a reasonable person would~~
17 ~~conclude is a church by reason of design, signs or architectural or other~~
18 ~~features.~~

19 ~~2.~~ "entertainment district" means a specific contiguous area that
20 is designated an entertainment district by a resolution adopted by the
21 governing body of a city or town, that consists of ~~no~~ NOT more than one
22 square mile, that is ~~no~~ NOT less than one-eighth of a mile in width and
23 that contains a significant number of entertainment, artistic and cultural
24 venues, including music halls, concert facilities, theaters, arenas,
25 stadiums, museums, studios, galleries, restaurants, bars and other related
26 facilities.

27 Sec. 4. Section 4-209, Arizona Revised Statutes, is amended to
28 read:

29 4-209. Fees for license, application, issuance, renewal and
30 transfer; late renewal penalty; seasonal operation;
31 surcharges

32 A. A fee shall accompany an application for an original license or
33 transfer of a license, or in case of renewal, shall be paid in advance.
34 Every license expires annually, except that a license may be renewed for a
35 two-year period pursuant to subsection M of this section if no compliance
36 penalties have been issued to that location during the year before the
37 renewal. A licensee who fails to renew the license on or before the due
38 date shall pay a penalty of \$150, which the licensee shall pay with the
39 renewal fee. A license renewal that is deposited, properly addressed and
40 postage prepaid in an official depository of the United States mail on or
41 before the due date shall be deemed filed and received by the department
42 on the date shown by the postmark or other official mark of the United
43 States postal service stamped on the envelope. If the due date falls on a
44 Saturday, Sunday or other legal holiday, the renewal shall be considered
45 timely if it is received by the department on the next business day. The

1 director may waive a late renewal penalty if good cause is shown by the
2 licensee. A licensee who fails to renew the license on or before the due
3 date may not sell, purchase or otherwise deal in spirituous liquor until
4 the license is renewed. A license that is not renewed within sixty days
5 after the due date is deemed terminated. The director may renew the
6 terminated license if good cause is shown by the licensee. Except an
7 application fee for a permit pursuant to section 4-203.07 and section
8 4-205.02, subsection K and leases pursuant to sections 4-203.06 and
9 4-203.07, an application fee for an original license or the transfer of a
10 license shall be \$100, which shall be retained by this state.

11 B. Issuance fees for original licenses shall be:

12 1. For an in-state producer's license to manufacture or produce
13 spirituous liquor in this state, \$1,500.

14 2. Except as provided in paragraph 15 of this subsection, for an
15 out-of-state producer's, exporter's, importer's or rectifier's license,
16 \$200.

17 3. For a microbrewery license, \$300.

18 4. For a wholesaler's license to sell spirituous liquors, \$1,500.

19 5. For a government license issued in the name of a state agency,
20 state commission, state board, county, city, town, community college or
21 state university or the national guard, \$100.

22 6. For a bar license, which is an on-sale retailer's license to
23 sell all spirituous liquors primarily by individual portions and in the
24 original containers, \$1,500.

25 7. For a beer and wine bar license, which is an on-sale retailer's
26 license to sell beer and wine primarily by individual portions and in the
27 original containers, \$1,500.

28 8. For a conveyance license issued to an operating railroad
29 company, to sell all spirituous liquors in individual portions or in the
30 original containers on all passenger trains operated by the railroad
31 company, or to an operating airline company, to sell or serve spirituous
32 liquors solely in individual portions on all passenger planes operated by
33 the airline company, or to a boat operating in the waters of this state,
34 to sell all spirituous liquors in individual portions or in the original
35 containers for consumption on the boat, \$1,500.

36 9. For a liquor store license, which is an off-sale retailer's
37 license to sell all spirituous liquors, \$1,500.

38 10. For a beer and wine store license, which is an off-sale
39 retailer's license to sell beer and wine, \$1,500.

40 11. For a hotel-motel license issued as such, to sell and serve
41 spirituous liquors solely for consumption on the licensed premises of the
42 hotel or motel, \$1,500.

43 12. For a restaurant license issued as such, to sell and serve
44 spirituous liquors solely for consumption on the licensed premises of the
45 restaurant, \$1,500. For a permit issued under section 4-205.02,

1 subsection H allowing for the sale of beer for the consumption off the
2 licensed premises pursuant to section 4-244, paragraph 32, subdivision
3 (c), the director may charge a fee. For an application for a permit
4 pursuant to section 4-203.07 and section 4-205.02, subsection K, the
5 director may charge a fee. The director may establish and charge fees for
6 lease applications pursuant to sections 4-203.06 and 4-203.07.

7 13. For a farm winery license, \$100. The director may charge a
8 licensed farm winery a fee pursuant to section 4-205.04, subsection ~~H~~ K.

9 14. For a club license issued in the name of a bona fide club
10 qualified under this title to sell all spirituous liquors on-sale, \$1,000.

11 15. For an out-of-state winery that sells not more than two hundred
12 forty gallons of wine in this state in a calendar year, \$25.

13 16. The department may charge a fee for a craft distiller license.

14 17. The department may charge a fee for registering an alcohol
15 delivery contractor pursuant to section 4-205.13.

16 C. The department may issue licenses with staggered renewal dates
17 to distribute the renewal workload as uniformly as practicable throughout
18 the twelve months of the calendar year. If a license is issued less than
19 six months before the scheduled renewal date of the license, as provided
20 by the department's staggered license renewal system, one-half of the
21 annual license fee shall be charged.

22 D. The annual fees for licenses shall be:

23 1. For an in-state producer's license to manufacture or produce
24 spirituous liquors in this state, \$350.

25 2. Except as provided in paragraph 15 of this subsection, for an
26 out-of-state producer's, exporter's, importer's or rectifier's license,
27 \$50.

28 3. For a microbrewery license, \$300.

29 4. For a wholesaler's license, to sell spirituous liquors, \$250.

30 5. For a government license issued to a county, city or town,
31 community college or state university or the national guard, \$100.

32 6. For a bar license, which is an on-sale retailer's license to
33 sell all spirituous liquors primarily by individual portions and in the
34 original containers, \$150.

35 7. For a beer and wine bar license, which is an on-sale retailer's
36 license to sell beer and wine primarily by individual portions and in the
37 original containers, \$75.

38 8. For a conveyance license issued to an operating railroad
39 company, to sell all spirituous liquors in individual portions or in the
40 original containers on all passenger trains operated by the railroad
41 company, or to an operating airline company, to sell or serve spirituous
42 liquors solely in individual portions on all passenger planes operated by
43 the airline company, or to a boat operating in the waters of this state,
44 to sell all spirituous liquor in individual portions or in the original
45 containers for consumption on the boat, \$225.

- 1 9. For a liquor store license, which is an off-sale retailer's
2 license to sell all spirituous liquors, \$50.
- 3 10. For a beer and wine store license, which is an off-sale
4 retailer's license to sell beer and wine, \$50.
- 5 11. For a hotel-motel license issued as such, to sell and serve
6 spirituous liquors solely for consumption on the licensed premises of the
7 hotel or motel, \$500.
- 8 12. For a restaurant license issued as such, to sell and serve
9 spirituous liquors solely for consumption on the licensed premises of the
10 restaurant, \$500, and for a restaurant license that is allowed to continue
11 operating as a restaurant pursuant to section 4-213, subsection E, an
12 additional amount established by the director. The department shall
13 transfer this amount to the state treasurer for deposit in the state
14 general fund. The director may establish an annual fee for a permit
15 pursuant to section 4-203.07 and section 4-205.02, subsection K. The
16 director may charge annual lease amounts pursuant to sections 4-203.06 and
17 4-203.07.
- 18 13. For a farm winery license, \$100. The director may charge a
19 licensed farm winery an annual fee pursuant to section 4-205.04,
20 subsection ~~E~~ K.
- 21 14. For a club license issued in the name of a bona fide club
22 qualified under this title to sell all spirituous liquors on-sale, \$150.
- 23 15. For an out-of-state winery that sells not more than two hundred
24 forty gallons of wine in this state in a calendar year, \$25.
- 25 16. The director may charge a fee for the annual renewal of a craft
26 distiller license.
- 27 17. The department may charge a fee for the annual registration
28 renewal of a registered alcohol delivery contractor pursuant to section
29 4-205.13.
- 30 E. Where the business of an on-sale retail licensee is seasonal,
31 not extending over periods of more than six months in any calendar year,
32 the licensee may designate the periods of operation and a license may be
33 granted for those periods only, on payment of one-half of the fee
34 prescribed in subsection D of this section.
- 35 F. Transfer fees from person to person for licenses transferred
36 pursuant to section 4-203, subsection C shall be \$300.
- 37 G. Transfer fees from location to location, as provided for in
38 section 4-203, shall be \$100.
- 39 H. Assignment fees for a change of agent, as provided for in
40 section 4-202, subsection A, an acquisition of control, as provided for in
41 section 4-203, subsection F, or a restructuring, as provided for in
42 section 4-203, subsection H, shall be \$100, except that where a licensee
43 holds multiple licenses and requests multiple, simultaneous changes, the
44 change of agent, acquisition of control or restructuring fee for the first
45 license shall be \$100 and the fee for all remaining licenses shall be \$50

1 each, except that the aggregate fees shall not exceed \$1,000 for all
2 change of agents, \$1,000 for all acquisitions of control and \$1,000 for
3 all restructurings.

4 I. No fee shall be charged by the department for an assignment of a
5 liquor license in probate or an assignment pursuant to the provisions of a
6 will or pursuant to a judicial decree in a domestic relations proceeding
7 that assigns ownership of a business that includes a spirituous liquor
8 license to one of the parties in the proceeding. In the case of
9 nontransferable licenses, no fee shall be charged by the department for
10 the issuance of a license for a licensed business pursuant to a transfer
11 of the business in probate or pursuant to the provisions of a will or
12 pursuant to a judicial decree in a domestic relations proceeding that
13 assigns ownership of the business to one of the parties in the proceeding.

14 J. The director shall assess a surcharge of \$30 on all licenses
15 prescribed in subsection D, paragraphs 6, 7 and 12 of this section.
16 Monies from the surcharge shall be used by the department exclusively for
17 the costs of an auditor and support staff to review compliance by
18 applicants and licensees with the requirements of section 4-205.02,
19 subsection E. The department shall assess the surcharge as part of the
20 annual license renewal fee.

21 K. The director shall assess a surcharge of \$35 on all licenses
22 prescribed in this section. Monies from the surcharge shall be used by
23 the department exclusively for the costs of an enforcement program to
24 investigate licensees who have been the subject of multiple complaints to
25 the department. The enforcement program shall respond to complaints
26 against licensees by neighborhood associations, by neighborhood civic
27 groups and from municipal and county governments. The department shall
28 assess the surcharge as part of the annual license renewal fee.

29 L. The director shall assess a surcharge of \$20 on all licenses
30 prescribed in subsection D, paragraphs 11 and 12 of this section and \$35
31 on all other licenses prescribed in this section. Monies from the
32 surcharge and from surcharges imposed pursuant to subsection K of this
33 section shall be used by the department exclusively for the costs of a
34 neighborhood association interaction and liquor enforcement management
35 unit. The unit shall respond to complaints from neighborhood
36 associations, neighborhood civic groups and local governing authorities
37 regarding liquor violations. The director shall report the unit's
38 activities and the use of monies from the surcharge or surcharges imposed
39 pursuant to subsection K of this section to the board at each board
40 meeting or as the board may direct.

41 M. Licenses may be renewed every two years with payment of license
42 fees that are twice the amount designated in subsection D of this section
43 and other applicable fees. Licensees renewing every two years must comply
44 with annual reporting requirements. The director may adopt reasonable
45 rules to allow licensees to renew every two years.

1 N. The department shall use all monies received from application
2 fees for permits issued pursuant to section 4-205.02, subsection K, leases
3 pursuant to sections 4-203.06 and 4-203.07 and registrations pursuant to
4 section 4-205.13 for administrative costs associated with the permit,
5 registration or lease and enforcement of this chapter.

6 Sec. 5. Section 4-210, Arizona Revised Statutes, is amended to
7 read:

8 4-210. Grounds for revocation, suspension and refusal to
9 renew; notice; complaints; hearings; defense

10 A. After notice and hearing, the director may suspend, revoke or
11 refuse to renew any license, registration, lease or permit issued pursuant
12 to this chapter for any of the following reasons:

13 1. There occurs on the licensed premises repeated acts of violence.

14 2. The licensee, registrant, lessee or permittee fails to
15 satisfactorily maintain the capability, qualifications and reliability
16 requirements of an applicant for a license, registration, lease or permit
17 prescribed in section 4-202, 4-203, 4-203.06, 4-203.07 or 4-205.13.

18 3. The licensee, registrant, lessee, permittee or controlling
19 person knowingly files with the department an application or other
20 document that contains material information that is false or misleading or
21 while under oath knowingly gives testimony in an investigation or other
22 proceeding under this title that is false or misleading.

23 4. The licensee, registrant, lessee, permittee or controlling
24 person is on the premises habitually intoxicated.

25 5. The licensed, registered, leased or permitted business is
26 delinquent for more than one hundred twenty days in ~~the payment of~~ PAYING
27 taxes, penalties or interest in an amount that exceeds \$250 to this state
28 or to any political subdivision of this state.

29 6. The licensee or controlling person obtains, assigns, transfers
30 or sells a spirituous liquor license without ~~compliance~~ COMPLYING with
31 this title or leases or subleases a license.

32 7. The licensee, registrant, lessee or permittee fails to keep for
33 two years and make available to the department on reasonable request all
34 invoices, records, bills or other papers and documents relating to the
35 purchase, sale and delivery of spirituous liquors and, in the case of a
36 restaurant or hotel-motel licensee, all invoices, records, bills or other
37 papers and documents relating to the purchase, sale and delivery of food.

38 8. The licensee, registrant, lessee, permittee or controlling
39 person is convicted of a felony, provided that for a conviction of a
40 corporation to serve as a reason for any action by the director, conduct
41 that constitutes the corporate offense and was the basis for the felony
42 conviction must have been engaged in, authorized, solicited, commanded or
43 recklessly tolerated by the directors of the corporation or by a high
44 managerial agent acting within the scope of employment.

1 9. The licensee, registrant, lessee, permittee or controlling
2 person violates or fails to comply with this title, any rule adopted
3 pursuant to this title or any liquor law of this state or any other state.

4 10. The licensee, registrant, lessee or permittee fails to take
5 reasonable steps to protect the safety of a customer of the licensee,
6 registrant, lessee or permittee or any other person entering, leaving or
7 remaining on the licensed premises when the licensee knew or reasonably
8 should have known of the danger to the person, or the licensee fails to
9 take reasonable steps to intervene by notifying law enforcement officials
10 or otherwise to prevent or break up an act of violence occurring on the
11 licensed premises or immediately adjacent to the premises when the
12 licensee knew or reasonably should have known of the acts of violence.
13 THE DUTY TO PROTECT A CUSTOMER OR OTHER PERSON ON THE LICENSED PREMISES
14 DOES NOT LIMIT THE LICENSEE FROM USING, AS NECESSARY, REASONABLE
15 INTERVENTION, REASONABLE RESTRAINT OR REASONABLE REMOVAL OF A PERSON FROM
16 THE PREMISES TO PREVENT THAT PERSON FROM INJURING OTHER PERSONS ON THE
17 PREMISES OR DAMAGING OR DISRUPTING THE PREMISES.

18 11. The licensee, registrant, lessee, permittee or controlling
19 person lacks good moral character.

20 12. The licensee, registrant, lessee, permittee or controlling
21 person knowingly associates with a person who has engaged in racketeering,
22 as defined in section 13-2301, or who has been convicted of a felony, and
23 the association is of a nature as to create a reasonable risk that the
24 licensee, registrant, lessee or permittee will fail to conform to the
25 requirements of this title or of any criminal statute of this state.

26 13. A licensee that is a liquor store as defined in section 46-297
27 violates the restrictions on use of automatic teller machines or
28 point-of-sale terminals regarding electronic benefit transfer cards
29 prescribed in section 4-242.01.

30 14. There occurs on the licensed premises a serious act of
31 violence. For the purposes of this paragraph, "serious act of violence"
32 means an act of violence in which a serious injury causes the death or
33 critical injury of a person and the injuries would be obvious to a
34 reasonable person.

35 15. The licensee fails to report a serious act of violence that
36 occurs on the licensed premises. For the purposes of this paragraph,
37 "serious act of violence" means an act of violence in which a serious
38 injury causes THE death or critical injury of a person and the injuries
39 would be obvious to a reasonable person.

40 16. The licensee, registrant, lessee or permittee violates an order
41 of the board.

1 B. For the purposes of:

2 1. Subsection A, paragraph 8 of this section, "high managerial
3 agent" means an officer of a corporation or any other agent of the
4 corporation in a position of comparable authority with respect to the
5 formulation of corporate policy.

6 2. Subsection A, paragraphs 9 and 10 of this section, acts or
7 omissions of an employee of a licensee that violate this title or rules
8 adopted pursuant to this title are deemed to be acts or omissions of the
9 licensee. Acts or omissions by an employee or licensee committed during
10 the time the licensed premises were operated pursuant to an interim permit
11 or without a license may be charged as if they had been committed during
12 the period the premises were duly licensed.

13 C. The director may suspend, revoke or refuse to issue, transfer or
14 renew a license, registration, lease or permit under this section based
15 solely on the unrelated conduct or fitness of any officer, director,
16 managing agent or other controlling person if the controlling person
17 retains any interest in or control of the licensee, registrant, lessee or
18 permittee after sixty days following written notice to the licensee,
19 registrant, lessee or permittee. If the controlling person holds stock in
20 a corporate licensee, registrant, lessee or permittee or is a partner in a
21 partnership licensee, registrant, lessee or permittee, the controlling
22 person may only divest himself of the controlling person's interest by
23 transferring the interest to the existing stockholders or partners who
24 must demonstrate to the department that they meet all the requirements for
25 licensure, registration, leasing or permitting. For the purposes of this
26 subsection, the conduct or fitness of a controlling person is unrelated if
27 it would not be attributable to the licensee, registrant, lessee or
28 permittee.

29 D. If the director finds, based on clear and convincing evidence in
30 the record, that a violation involves the use by the licensee, registrant,
31 lessee or permittee of a drive-through or walk-up service window or other
32 physical feature of the licensed premises that allows a customer to
33 purchase spirituous liquor without leaving the customer's vehicle or, with
34 respect to a walk-up service window that prevents the licensee,
35 registrant, lessee or permittee from fully observing the customer, and
36 that the use of that drive-through or walk-up service window or other
37 physical feature caused the violation, the director may suspend or
38 terminate the licensee's, registrant's, lessee's or permittee's use of the
39 drive-through or walk-up service window or other physical feature for the
40 sale of spirituous liquor, in addition to any other sanction.

41 E. The director may refuse to transfer any license, registration,
42 lease or permit or issue a new license, registration, lease or permit at
43 the same location if the director has filed a complaint against the
44 license, registration, lease, permit or location that has not been

1 resolved alleging a violation of any of the grounds stated in subsection A
 2 of this section until the time the complaint has been finally adjudicated.

3 F. The director shall receive all complaints of alleged violations
 4 of this chapter and is responsible for ~~the investigation of~~ INVESTIGATING
 5 all allegations of a violation of, or noncompliance with, this title, any
 6 rule adopted pursuant to this title or any condition imposed on the
 7 licensee, registrant, lessee or permittee by the license, registration,
 8 lease or permit. When the director receives three complaints from any law
 9 enforcement agency resulting from three separate incidents at a licensed,
 10 leased or permitted establishment or by a registrant within a twelve-month
 11 period, the director shall transmit a written report to the board setting
 12 forth the complaints, the results of any investigation conducted by the
 13 law enforcement agency or the department relating to the complaints and a
 14 history of all prior complaints against the license, registration, lease
 15 or permit and their disposition. The board shall review the report and
 16 may direct the director to conduct further investigation of a complaint or
 17 to serve a licensee, registrant, lessee or permittee with a complaint and
 18 notice of a hearing pursuant to subsection G of this section.

19 G. On the director's initiation of an investigation or on the
 20 receipt of a complaint and an investigation of the complaint as deemed
 21 necessary, the director may cause a complaint and notice of a hearing to
 22 be directed to the licensee, registrant, lessee or permittee that states
 23 the violations alleged against the licensee, registrant, lessee or
 24 permittee and directing the licensee, registrant, lessee or permittee,
 25 within fifteen days after service of the complaint and notice of a
 26 hearing, to appear by filing with the director an answer to the complaint.
 27 Failure of the licensee, registrant, lessee or permittee to answer may be
 28 deemed an admission by the licensee, registrant, lessee or permittee of
 29 commission of the act charged in the complaint. The director may then
 30 vacate the hearing and impose any sanction provided by this article. The
 31 director may waive any sanction for good cause shown, including excusable
 32 neglect. With respect to any violation of this title or any rule adopted
 33 pursuant to this title that is based on the act or omission of a
 34 licensee's, registrant's, lessee's or permittee's employee, the director
 35 shall consider evidence of mitigation presented by the licensee,
 36 registrant, lessee or permittee and established by a preponderance of the
 37 evidence that the employee acted intentionally and in violation of the
 38 express direction or policy adopted by the licensee, registrant, lessee or
 39 permittee and communicated to the employee and that the employee
 40 successfully completed training in a course approved by the director
 41 pursuant to section 4-112, subsection G, paragraph 2. The director may
 42 set the hearing before the director or an administrative law judge on any
 43 of the grounds stated in subsection A of this section. Instead of issuing
 44 a complaint, the director may provide for informal disposition of the
 45 matter by consent agreement or may issue a written warning to the

1 licensee, registrant, lessee or permittee. If a warning is issued, the
2 licensee, registrant, lessee or permittee may reply in writing and the
3 director shall keep a record of the warning and the reply.

4 H. A hearing shall conform to the requirements of title 41,
5 chapter 6, article 10. At the hearing an attorney or corporate officer or
6 employee of a corporation may represent the corporation. The revoking,
7 suspending or refusing to renew a license, registration, lease or permit
8 for unpaid taxes, penalties or interest pursuant to subsection A,
9 paragraph 5 of this section is a contested case with the department of
10 revenue pursuant to section 42-1251.01.

11 I. The expiration, cancellation, revocation, reversion, surrender,
12 acceptance of surrender or termination in any other manner of a license,
13 registration, lease or permit does not prevent the initiation or
14 completion of a disciplinary proceeding pursuant to this section against
15 the licensee, registrant, lessee or permittee or license, registration,
16 lease or permit. An order issued pursuant to a disciplinary proceeding
17 against a license, registration, lease or permit is enforceable against
18 other licenses, registrations, leases or permits or subsequent licenses,
19 registrations, leases or permits in which the licensee, registrant,
20 lessee, permittee or controlling person of the license, registration,
21 lease or permit has a controlling interest.

22 J. The department shall provide the same notice as is provided to
23 the licensee, registrant, lessee or permittee to a lienholder, which has
24 provided a document under section 4-112, subsection B, paragraph 3, of all
25 disciplinary or compliance action with respect to a license, registration,
26 lease or permit issued pursuant to this title. The state is not liable
27 for damages for any failure to provide any notice pursuant to this
28 subsection.

29 K. In any disciplinary action pursuant to this title, a lienholder
30 may participate in the determination of the action. The director shall
31 consider mitigation on behalf of the lienholder if the lienholder proves
32 all of the following by a preponderance of the evidence:

33 1. That the lienholder's interest is a bona fide security interest.
34 For the purposes of this paragraph, "bona fide security interest" means
35 the lienholder provides actual consideration to the licensee, registrant,
36 lessee or permittee or the licensee's, registrant's, lessee's or
37 permittee's predecessor in interest in exchange for the lienholder's
38 interest. Bona fide security interest includes a lien taken by the seller
39 of a license, registration, lease or permit as security for the seller's
40 receipt of all or part of the purchase price of the license, registration,
41 lease or permit.

42 2. That a statement of legal or equitable interest was filed with
43 the department before the alleged conduct occurred that is the basis for
44 the action against the license, registration, lease or permit.

1 3. That the lienholder took reasonable steps to correct the
2 licensee's, registrant's, lessee's or permittee's prior actions, if any,
3 or initiated an action pursuant to available contract rights against the
4 licensee, registrant, lessee or permittee for the forfeiture of the
5 license, registration, lease or permit after being provided with notice by
6 the department of disciplinary action as provided in subsection J of this
7 section.

8 4. That the lienholder was free of responsibility for the conduct
9 that is the basis for the proposed revocation.

10 5. That the lienholder reasonably attempted to remain informed by
11 the licensee, registrant, lessee or permittee about the business's
12 conduct.

13 L. If the director decides not to revoke the license, registration,
14 lease or permit based on the circumstances provided in subsection K of
15 this section, the director may issue an order requiring either, or both,
16 of the following:

17 1. The forfeiture of all interest of the licensee, registrant,
18 lessee or permittee in the license, registration, lease or permit.

19 2. The lienholder to pay any civil monetary penalty imposed on the
20 licensee, registrant, lessee or permittee.

21 M. If any on-sale licensee proposes to provide large capacity
22 entertainment events or sporting events with an attendance capacity
23 exceeding a limit established by the director, the director may request a
24 security plan from the licensee that may include trained security
25 officers, lighting and other requirements. This subsection exclusively
26 prescribes the security requirements for a licensee and does not create
27 any civil liability for this state, its agencies, agents or employees or a
28 person licensed under this title or agents or employees of a licensee.

29 N. The director may consider as a mitigating factor or defense to a
30 complaint against a licensee for a violation of subsection A, paragraph 10
31 or 14 of this section that the licensee acted reasonably, responsibly and
32 as expeditiously as possible by asking for intervention by a peace officer
33 to prevent or to break up a riot, a fight, an altercation or tumultuous
34 conduct.

35 Sec. 6. Title 4, chapter 2, article 1, Arizona Revised Statutes, is
36 amended by adding section 4-215, to read:

37 4-215. Regional shopping centers; extension of premises;
38 application; approval; fee; definition

39 A. THE OWNER OR MANAGEMENT OF A REGIONAL SHOPPING CENTER THAT
40 ENCOMPASSES AT LEAST FOUR HUNDRED THOUSAND SQUARE FEET OF RETAIL SPACE, ON
41 BEHALF OF RETAIL LICENSEES LOCATED AT THE SHOPPING CENTER, MAY APPLY TO
42 THE DIRECTOR, ON A FORM PRESCRIBED BY THE DIRECTOR, FOR AN EXTENSION OF
43 PREMISES PURSUANT TO THIS SECTION. THE PREMISES EXTENSION, IF ISSUED,
44 SHALL ALLOW DESIGNATED ON-SALE RETAIL LICENSEES TO SELL SPIRITUOUS LIQUOR
45 AND TO ALLOW PATRONS TO CONSUME SPIRITUOUS LIQUOR THROUGHOUT A DESIGNATED

1 PEDESTRIAN AREA OF THE REGIONAL SHOPPING CENTER. AT LEAST THIRTY DAYS
2 BEFORE SUBMITTING THE APPLICATION TO THE DIRECTOR, THE REGIONAL SHOPPING
3 CENTER SHALL SUBMIT A COPY OF THE APPLICATION TO THE LOCAL GOVERNING BODY
4 FOR REVIEW.

5 B. THE LOCAL GOVERNING BODY HAS THIRTY DAYS AFTER THE REGIONAL
6 SHOPPING CENTER SUBMITS THE APPLICATION TO THE LOCAL GOVERNING BODY TO
7 REVIEW THE APPLICATION AND PROVIDE ADVISORY RECOMMENDATIONS TO THE
8 DIRECTOR. THE DIRECTOR MAY NOT ACCEPT AN APPLICATION BEFORE THE LOCAL
9 GOVERNING BODY REVIEW PERIOD HAS ELAPSED OR THE LOCAL GOVERNING BODY MAKES
10 ITS ADVISORY RECOMMENDATIONS, WHICHEVER IS SOONER.

11 C. THE APPLICATION SHALL INCLUDE THE REQUIREMENT THAT THE REGIONAL
12 SHOPPING CENTER PROVIDE PLANS OR DIAGRAMS DESIGNATING THE SPECIFIC
13 EXTENSION OF PREMISES REQUESTED WITHIN THE REGIONAL SHOPPING CENTER. THE
14 PLAN SHALL DELINEATE THE PHYSICAL ARRANGEMENT OF THE EXTENDED PREMISES,
15 INCLUDING SHOWING THE LOCATIONS OF INGRESS TO AND EGRESS FROM THE EXTENDED
16 PREMISES AND OTHER FEATURES OF THE EXTENDED PREMISES AS THE DIRECTOR MAY
17 REQUIRE.

18 D. THE EXTENDED PREMISES AUTHORIZED BY THE DEPARTMENT MAY INCLUDE
19 ONLY AREAS LIMITED TO PEDESTRIAN TRAFFIC AND MAY NOT INCLUDE OR BE
20 BISECTED BY A PUBLIC OR PRIVATE ROADWAY UNLESS THE PRIVATE ROADWAY IS
21 BLOCKED TO VEHICULAR TRAFFIC OR IS IMMEDIATELY ADJACENT TO A PUBLIC OR
22 PRIVATE ROADWAY. TO DELINEATE THE EXTENDED PREMISES AND TO CONTROL
23 SPIRITUOUS LIQUOR SERVICE IN THE EXTENDED PREMISES, THE PLAN MAY USE
24 PHYSICAL BARRIERS, SIGNAGE, ELECTRONIC SURVEILLANCE, SECURITY GUARDS,
25 CORDONS OR A COMBINATION OF THESE BARRIERS AND STRATEGIES.

26 E. THE APPLICATION SHALL INCLUDE A PROVISION THAT THE REGIONAL
27 SHOPPING CENTER DESIGNATES THE TIMES OF SPIRITUOUS LIQUOR SERVICE ON THE
28 EXTENDED PREMISES. THE REGIONAL SHOPPING CENTER MAY FILE WITH THE
29 DIRECTOR A REQUEST TO MODIFY THE DESIGNATED TIMES OF SPIRITUOUS LIQUOR
30 SERVICE, AND THE DIRECTOR, FOR GOOD CAUSE SHOWN, MAY MODIFY THE DESIGNATED
31 TIMES OF SPIRITUOUS LIQUOR SERVICE.

32 F. RETAIL LICENSEES THAT ARE SUBJECT TO AN EXTENSION OF PREMISES
33 ARE RESPONSIBLE FOR COMPLIANCE WITH THIS TITLE ON THE EXTENDED PREMISES.

34 G. AN EXTENSION OF PREMISES IS SUBJECT TO THE FOLLOWING:

35 1. THE DEPARTMENT MAY CHARGE A FEE IN AN AMOUNT PRESCRIBED BY THE
36 DIRECTOR FOR REVIEWING AND PROCESSING AN APPLICATION SUBMITTED PURSUANT TO
37 THIS SECTION.

38 2. THE DIRECTOR MAY SET DAY AND TIME LIMITS ON USING THE EXTENDED
39 PREMISES AND ESTABLISH SECURITY REQUIREMENTS AS A CONDITION OF APPROVAL.

40 3. THE EXTENDED PREMISES UNDER THIS SECTION MAY NOT OVERLAP THE
41 LICENSED PREMISES OF ANY OTHER LICENSEE UNDER THIS TITLE THAT IS NOT
42 SUBJECT TO THE EXTENSION OF PREMISES.

43 4. THE REGIONAL SHOPPING CENTER AND ON-SALE RETAIL LICENSEES MAY
44 NOT ALTER THE PHYSICAL ARRANGEMENT OF THE EXTENDED PREMISES TO USE
45 ADDITIONAL OR DIFFERENT SPACE, LOCATIONS OF INGRESS OR EGRESS OR

1 ACCOMMODATIONS WITHOUT FIRST COMPLYING WITH THE PROCESS PROVIDED IN
2 SUBSECTION A OF THIS SECTION.

3 5. NOTWITHSTANDING ANY OTHER LAW, THE DIRECTOR MAY CANCEL OR
4 SUSPEND AN ON-SALE RETAIL LICENSEE'S APPROVAL TO EXTEND ITS PREMISES UNDER
5 THIS SECTION FOR GOOD CAUSE AT ANY TIME. THE REGIONAL SHOPPING CENTER OR
6 LICENSEE MAY APPEAL AN ORDER TO CANCEL OR SUSPEND IN ACCORDANCE WITH THE
7 ADMINISTRATIVE APPEAL PROVISIONS PROVIDED IN THIS TITLE.

8 6. AN EXTENSION OF PREMISES ISSUED PURSUANT TO THIS SECTION IS NOT
9 TRANSFERABLE.

10 H. FOR THE PURPOSES OF THIS SECTION, "LOCAL GOVERNING BODY" MEANS
11 THE COUNTY BOARD OF SUPERVISORS IF THE REGIONAL SHOPPING CENTER IS LOCATED
12 IN AN UNINCORPORATED AREA OR THE GOVERNING BODY OF THE CITY OR TOWN IF THE
13 REGIONAL SHOPPING CENTER IS LOCATED IN A CITY OR TOWN.

14 Sec. 7. Section 4-243.03, Arizona Revised Statutes, is amended to
15 read:

16 4-243.03. Alternating proprietorships

17 On application by one or more persons, the director may approve
18 applications for grouping two or more spirituous liquor producer, craft
19 distiller, FARM WINERY or microbrewery licenses at one location under a
20 plan of alternating proprietorships if a licensed producer, craft
21 distiller, FARM WINERY or microbrewery has received approval of the
22 alternating proprietorship by the United States alcohol and tobacco tax
23 and trade bureau and the participating producers, craft distillers, FARM
24 WINERIES or microbreweries operate under the regulations and guidelines
25 that are issued by the United States alcohol and tobacco tax and trade
26 bureau. Each participating spirituous liquor producer, craft distiller,
27 FARM WINERY or microbrewery is responsible for filing all reports that
28 relate to its production with the United States alcohol and tobacco tax
29 and trade bureau and the department of revenue.

30 Sec. 8. Section 4-244, Arizona Revised Statutes, is amended to
31 read:

32 4-244. Unlawful acts; definition

33 It is unlawful:

34 1. For a person to buy for resale, sell or deal in spirituous
35 liquors in this state without first having procured a license duly issued
36 by the board, except that the director may issue a temporary permit of any
37 series pursuant to section 4-205.05 to a trustee in bankruptcy to acquire
38 and dispose of the spirituous liquor of a debtor.

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

41 3. For a distiller, vintner, brewer or wholesaler knowingly to
42 sell, dispose of or give spirituous liquor to any person other than a
43 licensee except in sampling wares as may be necessary in the ordinary
44 course of business, except in donating spirituous liquor to a nonprofit
45 organization that has obtained a special event license for the purpose of

1 charitable fundraising activities or except in donating spirituous liquor
2 with a cost to the distiller, brewer or wholesaler of up to \$500 in a
3 calendar year to an organization that is exempt from federal income taxes
4 under section 501(c) (3), (4), (6) or (7) of the internal revenue code and
5 not licensed under this title.

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

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

14 6. For a person to take or solicit orders for spirituous liquors
15 unless the person is a salesman or solicitor of a licensed wholesaler, a
16 salesman or solicitor of a distiller, brewer, vintner, importer or broker
17 or a registered retail agent.

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

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

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

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

43 11. For an on-sale retailer to employ a person under eighteen years
44 of age in any capacity connected with the handling of spirituous liquors.
45 This paragraph does not prohibit the employment by an on-sale retailer of

1 a person under eighteen years of age who cleans up the tables on the
2 premises for reuse, removes dirty dishes, keeps a ready supply of needed
3 items and helps clean up the premises.

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

8 13. For an employee of a retail licensee, during that employee's
9 working hours or in connection with such employment, to give to or
10 purchase for any other person, accept a gift of, purchase for the employee
11 or consume spirituous liquor, except that:

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

16 (b) An employee of an on-sale retail licensee, during that
17 employee's working hours or in connection with the employment, while the
18 employee is not engaged in waiting on or serving customers, may taste
19 samples of beer or wine of not more than four ounces per day or distilled
20 spirits of not more than two ounces per day provided by an employee of a
21 wholesaler or distributor who is present at the time of the sampling.

22 (c) An employee of an on-sale retail licensee, under the
23 supervision of a manager as part of the employee's training and education,
24 while not engaged in waiting on or serving customers may taste samples of
25 distilled spirits of not more than two ounces per educational session or
26 beer or wine of not more than four ounces per educational session, and
27 provided that a licensee does not have more than two educational sessions
28 in any thirty-day period.

29 (d) An unpaid volunteer who is a bona fide member of a club and who
30 is not engaged in waiting on or serving spirituous liquor to customers may
31 purchase for himself and consume spirituous liquor while participating in
32 a scheduled event at the club. An unpaid participant in a food
33 competition may purchase for himself and consume spirituous liquor while
34 participating in the food competition.

35 (e) An unpaid volunteer of a special event licensee under section
36 4-203.02 may purchase and consume spirituous liquor while not engaged in
37 waiting on or serving spirituous liquor to customers at the special event.
38 This subdivision does not apply to an unpaid volunteer whose
39 responsibilities include verification of a person's legal drinking age,
40 security or the operation of any vehicle or heavy machinery.

41 (f) A representative of a producer or wholesaler participating at a
42 special event under section 4-203.02 may consume small amounts of the
43 products of the producer or wholesaler on the premises of the special
44 event for the purpose of quality control.

1 14. For a licensee or other person to serve, sell or furnish
2 spirituous liquor to a disorderly or obviously intoxicated person, or for
3 a licensee or employee of the licensee to allow a disorderly or obviously
4 intoxicated person to come into or remain on or about the premises, except
5 that a licensee or an employee of the licensee may allow an obviously
6 intoxicated person to remain on the premises for not more than thirty
7 minutes after the state of obvious intoxication is known or should be
8 known to the licensee for a nonintoxicated person to transport the
9 obviously intoxicated person from the premises. For the purposes of this
10 section, "obviously intoxicated" means inebriated to the extent that a
11 person's physical faculties are substantially impaired and the impairment
12 is shown by significantly uncoordinated physical action or significant
13 physical dysfunction that would have been obvious to a reasonable person.

14 15. For an on-sale or off-sale retailer or an employee of such
15 retailer or an alcohol delivery contractor to sell, dispose of, deliver or
16 give spirituous liquor to a person between the hours of 2:00 a.m. and
17 6:00 a.m., except that:

18 (a) A retailer with off-sale privileges may receive and process
19 orders, accept payment or package, load or otherwise prepare spirituous
20 liquor for delivery at any time, if the actual deliveries to customers are
21 made between the hours of 6:00 a.m. and 2:00 a.m., at which time section
22 4-241, subsections A and K apply.

23 (b) THE GOVERNOR MAY ISSUE AN EXECUTIVE ORDER THAT EXTENDS THE
24 CLOSING TIME UNTIL 3:00 A.M. FOR SPIRITUOUS LIQUOR SALES IN CONNECTION
25 WITH A PROFESSIONAL OR COLLEGIATE NATIONAL SPORTING CHAMPIONSHIP EVENT
26 HELD IN THIS STATE.

27 16. For a licensee or employee to knowingly allow any person on or
28 about the licensed premises to give or furnish any spirituous liquor to
29 any person under twenty-one years of age or knowingly allow any person
30 under twenty-one years of age to have in the person's possession
31 spirituous liquor on the licensed premises.

32 17. For an on-sale retailer or an employee of such retailer to
33 allow a person to consume or possess spirituous liquors on the premises
34 between the hours of 2:30 a.m. and 6:00 a.m., EXCEPT THAT IF THE GOVERNOR
35 EXTENDS THE CLOSING TIME FOR A DAY FOR SPIRITUOUS LIQUOR SALES PURSUANT TO
36 PARAGRAPH 15 OF THIS SECTION IT IS UNLAWFUL FOR AN ON-SALE RETAILER OR AN
37 EMPLOYEE OF SUCH RETAILER ON THAT DAY TO ALLOW A PERSON TO CONSUME OR
38 POSSESS SPIRITUOUS LIQUOR ON THE PREMISES BETWEEN THE HOURS OF 3:30 A.M.
39 AND 6:00 A.M.

40 18. For an on-sale retailer to allow an employee or for an employee
41 to solicit or encourage others, directly or indirectly, to buy the
42 employee drinks or anything of value in the licensed premises during the
43 employee's working hours. An on-sale retailer shall not serve employees
44 or allow a patron of the establishment to give spirituous liquor to,

1 purchase liquor for or drink liquor with any employee during the
2 employee's working hours.

3 19. For an off-sale retailer or employee to sell spirituous liquor
4 except in the original unbroken container, to allow spirituous liquor to
5 be consumed on the premises or to knowingly allow spirituous liquor to be
6 consumed on adjacent property under the licensee's exclusive control.

7 20. For a person to consume spirituous liquor in a public place,
8 thoroughfare or gathering. The license of a licensee allowing a violation
9 of this paragraph on the premises shall be subject to revocation. This
10 paragraph does not apply to the sale of spirituous liquors on the premises
11 of and by an on-sale retailer. This paragraph also does not apply to a
12 person consuming beer or wine from a broken package in a public recreation
13 area or on private property with permission of the owner or lessor or on
14 the walkways surrounding such private property or to a person consuming
15 beer or wine from a broken package in a public recreation area as part of
16 a special event or festival that is conducted under a license secured
17 pursuant to section 4-203.02 or 4-203.03.

18 21. For a person to ~~have possession of~~ POSSESS or to transport
19 spirituous liquor that is manufactured in a distillery, winery, brewery or
20 rectifying plant contrary to the laws of the United States and this
21 state. Any property used in transporting such spirituous liquor shall be
22 forfeited to the state and shall be seized and disposed of as provided in
23 section 4-221.

24 22. For an on-sale retailer or employee to allow a person under the
25 legal drinking age to remain in an area on the licensed premises during
26 those hours in which its primary use is the sale, dispensing or
27 consumption of alcoholic beverages after the licensee, or the licensee's
28 employees, know or should have known that the person is under the legal
29 drinking age. An on-sale retailer may designate an area of the licensed
30 premises as an area in which spirituous liquor will not be sold or
31 consumed for the purpose of allowing underage persons on the premises if
32 the designated area is separated by a physical barrier and at no time will
33 underage persons have access to the area in which spirituous liquor is
34 sold or consumed. A licensee or an employee of a licensee may require a
35 person who intends to enter a licensed premises or a portion of a licensed
36 premises where persons under the legal drinking age are prohibited under
37 this section to exhibit an instrument of identification that is acceptable
38 under section 4-241 as a condition of entry or may use a biometric
39 identity verification device to determine the person's age as a condition
40 of entry. The director, or a municipality, may adopt rules to regulate
41 the presence of underage persons on licensed premises provided the rules
42 adopted by a municipality are more stringent than those adopted by the
43 director. The rules adopted by the municipality shall be adopted by local
44 ordinance and shall not interfere with the licensee's ability to comply
45 with this paragraph. This paragraph does not apply:

1 (a) If the person under the legal drinking age is accompanied by a
2 spouse, parent, grandparent or legal guardian of legal drinking age or is
3 an on-duty employee of the licensee.

4 (b) If the owner, lessee or occupant of the premises is a club as
5 defined in section 4-101, paragraph 8, subdivision (a) and the person
6 under the legal drinking age is any of the following:

7 (i) An active duty military service member.

8 (ii) A veteran.

9 (iii) A member of the United States army national guard or the
10 United States air national guard.

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

12 (c) To the area of the premises used primarily for ~~the~~ serving of
13 food during the hours when food is served.

14 23. For an on-sale retailer or employee to conduct drinking
15 contests, to sell or deliver to a person an unlimited number of spirituous
16 liquor beverages during any set period of time for a fixed price, to
17 deliver more than fifty ounces of beer, one liter of wine or four ounces
18 of distilled spirits in any spirituous liquor drink to one person at one
19 time for that person's consumption or to advertise any practice prohibited
20 by this paragraph. ~~The provisions of~~ This paragraph ~~do~~ DOES not prohibit
21 an on-sale retailer or employee from selling and delivering an opened,
22 original container of distilled spirits if:

23 (a) Service or pouring of the spirituous liquor is provided by an
24 employee of the on-sale retailer. A licensee shall not be charged for a
25 violation of this ~~subdivision~~ PARAGRAPH if a customer, without the
26 knowledge of the retailer, removes or tampers with ~~the~~ A locking device on
27 a bottle delivered to the customer for bottle service and the customer
28 pours the customer's own drink from the bottle, if when the licensee
29 becomes aware of the removal or tampering of the locking device the
30 licensee immediately installs a functioning locking device on the bottle
31 or removes the bottle and lock from bottle service.

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

35 24. For a licensee or employee to knowingly allow the unlawful
36 possession, use, sale or offer for sale of narcotics, dangerous drugs or
37 marijuana on the premises. For the purposes of this paragraph, "dangerous
38 drug" has the same meaning prescribed in section 13-3401.

39 25. For a licensee or employee to knowingly allow prostitution or
40 the solicitation of prostitution on the premises.

41 26. For a licensee or employee to knowingly allow unlawful gambling
42 on the premises.

43 27. For a licensee or employee to knowingly allow trafficking or
44 attempted trafficking in stolen property on the premises.

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

4 29. For any person other than a peace officer while on duty or off
5 duty or a member of a sheriff's volunteer posse while on duty who has
6 received firearms training that is approved by the Arizona peace officer
7 standards and training board, a retired peace officer as defined in
8 section 38-1113 or an honorably retired law enforcement officer who has
9 been issued a certificate of firearms proficiency pursuant to section
10 13-3112, subsection T, the licensee or an employee of the licensee acting
11 with the permission of the licensee to be in possession of a firearm while
12 on the licensed premises of an on-sale retailer. This paragraph does not
13 include a situation in which a person is on licensed premises for a
14 limited time in order to seek emergency aid and such person does not buy,
15 receive, consume or possess spirituous liquor. This paragraph does not
16 apply to:

17 (a) Hotel or motel guest room accommodations.

18 (b) ~~The exhibition~~ EXHIBITING or ~~display of~~ DISPLAYING a firearm in
19 conjunction with a meeting, show, class or similar event.

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

23 30. For a licensee or employee to knowingly allow a person in
24 possession of a firearm other than a peace officer while on duty or off
25 duty or a member of a sheriff's volunteer posse while on duty who has
26 received firearms training that is approved by the Arizona peace officer
27 standards and training board, a retired peace officer as defined in
28 section 38-1113 or an honorably retired law enforcement officer who has
29 been issued a certificate of firearms proficiency pursuant to section
30 13-3112, subsection T, the licensee or an employee of the licensee acting
31 with the permission of the licensee to remain on the licensed premises or
32 to serve, sell or furnish spirituous liquor to a person in possession of a
33 firearm while on the licensed premises of an on-sale retailer. It is a
34 defense to action under this paragraph if the licensee or employee
35 requested assistance of a peace officer to remove such person. This
36 paragraph does not apply to:

37 (a) Hotel or motel guest room accommodations.

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

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

43 31. For any person in possession of a firearm while on the licensed
44 premises of an on-sale retailer to consume spirituous liquor. This
45 paragraph does not prohibit the consumption of small amounts of spirituous

1 liquor by an undercover peace officer on assignment to investigate the
2 licensed establishment.

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

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

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

15 (c) A licensee of a bar, beer and wine bar, liquor store, beer and
16 wine store, microbrewery or restaurant that has a permit pursuant to
17 section 4-205.02, subsection H that dispenses beer only in a clean
18 container composed of a material approved by a national sanitation
19 organization with a maximum capacity that does not exceed one gallon and
20 not for consumption on the premises if:

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

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

25 (d) A bar or liquor store licensee that prepares a mixed cocktail
26 or a restaurant licensee that leases the privilege to sell mixed cocktails
27 for consumption off the licensed premises pursuant to section 4-203.06 or
28 holds a permit pursuant to section 4-203.07 and section 4-205.02,
29 subsection K and that prepares a mixed cocktail and transfers it to a
30 clean container composed of a material approved by a national sanitation
31 organization with a maximum capacity that does not exceed thirty-two
32 ounces and not for consumption on the premises if all of the following
33 apply:

34 (i) The licensee or licensee's employee fills the container with
35 the mixed cocktail on the licensed premises of the bar, liquor store or
36 restaurant.

37 (ii) The container is tamperproof sealed by the licensee or the
38 licensee's employee and displays a government warning label.

39 (iii) The container clearly displays the bar's, liquor store's or
40 restaurant's logo or name.

41 (iv) For a restaurant licensee licensed pursuant to section
42 4-205.02, the sale of mixed cocktails for consumption off the licensed
43 premises is accompanied by the sale of menu food items for consumption on
44 or off the licensed premises.

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

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

7 35. For a person WHO IS under twenty-one years of age to operate or
8 be in physical control of a motorized watercraft that is underway while
9 there is any spirituous liquor in the person's body. For the purposes of
10 this paragraph, "underway" has the same meaning prescribed in section
11 5-301.

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

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

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

19 39. For a licensee to offer for sale a wine carrying a label
20 including a reference to Arizona or any Arizona city, town or geographic
21 location unless at least seventy-five percent by volume of the grapes used
22 in making the wine were grown in Arizona.

23 40. For a retailer to knowingly allow a customer to bring
24 spirituous liquor onto the licensed premises, except that an on-sale
25 retailer may allow a wine and food club to bring wine onto the premises
26 for consumption by the club's members and guests of the club's members in
27 conjunction with meals purchased at a meeting of the club that is
28 conducted on the premises and that at least seven members attend. An
29 on-sale retailer that allows wine and food clubs to bring wine onto its
30 premises under this paragraph shall comply with all applicable provisions
31 of this title and any rules adopted pursuant to this title to the same
32 extent as if the on-sale retailer had sold the wine to the members of the
33 club and their guests. For the purposes of this paragraph, "wine and food
34 club" means an association that has more than twenty bona fide members
35 paying at least \$6 per year in dues and that has been in existence for at
36 least one year.

37 41. For a person WHO IS under twenty-one years of age to have in
38 the person's body any spirituous liquor. In a prosecution for a violation
39 of this paragraph:

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

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

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

6 (a) Allow a person who is under twenty-one years of age to enter
7 any portion of the premises where that person is prohibited from entering
8 pursuant to paragraph 22 of this section.

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

11 43. For a person to purchase, offer for sale or use any device,
12 machine or process that mixes spirituous liquor with pure oxygen or
13 another gas to produce a vaporized product for the purpose of consumption
14 by inhalation or to allow patrons to use any item for the consumption of
15 vaporized spirituous liquor.

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

19 45. Except as authorized by paragraph 32, subdivision (c) of this
20 section, for a person to reuse a bottle or other container authorized for
21 use by the laws of the United States or any agency of the United States
22 for the packaging of distilled spirits or for a person to increase the
23 original contents or a portion of the original contents remaining in a
24 liquor bottle or other authorized container by adding any substance.

25 46. For a direct shipment licensee, a farm winery licensee or an
26 employee of those licensees to sell, dispose of, deliver or give
27 spirituous liquor to an individual purchaser between the hours of
28 2:00 a.m. and 6:00 a.m., except that a direct shipment licensee or a farm
29 winery licensee may receive and process orders, accept payment, package,
30 load or otherwise prepare wine for delivery at any time without complying
31 with section 4-241, subsections A and K, if the actual deliveries to
32 individual purchasers are made between the hours of 6:00 a.m. and
33 2:00 a.m. and in accordance with section 4-203.04 for direct shipment
34 licensees and section 4-205.04 for farm winery licensees.