



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
First Regular Session

House: COM DPA 7-3-0-0

## **HB 2773: spirituous liquor; delivery; off-sale permits**

**Sponsor: Representative Weninger, LD 17**

**Caucus & COW**

### **Overview**

Establishes requirements to allow restaurants and bars to conduct sales and delivery of mixed cocktails off-premises.

### **History**

The Department of Liquor Licenses and Control ([Department](#)), which consists of the State Liquor Board and the Office of the Director (Director) of the Department regulates the manufacture, distribution and sale of liquor in this state through the issuance of [21 license types or series](#).

Under current law, it is unlawful for a licensee or employee to knowingly allow spirituous liquor to be removed from the licensed premises, except in the original unbroken package unless:

- 1) It is a bottle of wine that has been partially consumed in conjunction with a purchased meal and is properly sealed;
- 2) There is a noncontiguous portion of the licensed premises that is separated by a public or private walkway or driveway and the liquor is taken from one portion of the premises directly to the other; or
- 3) The licensee has an appropriate permit that dispenses beer only in a clean container and that is not for consumption on the premises if:
  - a) The licensee fills the container at the tap at the time of sale; and
  - b) The container is sealed and displays a government warning label. ([A.R.S. § 4-244](#)).

*Spirituous liquor* means alcohol, brandy, whiskey, rum, tequila, mescal, gin, wine, porter, ale, beer, any malt liquor or malt beverage, absinthe, a compound or mixture of any of them or of any of them with any vegetable or other substance, alcohol bitters, bitters containing alcohol, any liquid mixture or preparation, whether patented or otherwise, which produces intoxication, fruits preserved in ardent spirits and beverages containing more than one-half of one percent of alcohol by volume ([A.R.S. § 4-101](#)).

### **Provisions**

#### ***Spirituous Liquor Delivery; Bar and Restaurant (Sec. 2)***

1. Allows a bar (series 6) or a restaurant (series 12) licensee to take orders for the sale and delivery of spirituous liquor off the licensed premises by telephone, mail, internet or other means as follows:
  - a) Spirituous liquor for a bar includes beer, wine or mixed cocktails.
  - b) Spirituous liquor for a restaurant includes:
    - i) Mixed cocktail, if the licensee holds a permit allowing for the sale of mixed cocktails for off premises consumption; and
    - ii) Beer, if the licensee holds a permit allowing for the sale of beer for off premises consumption.

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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2. Specifies that the transaction is not considered a sale until delivery has been made.
3. Requires the licensee to inform the purchaser of liquor laws relating to minimum age and identification requirements.
4. Allows the licensee to maintain a delivery service or contract with one or more licensed third-party facilitators for delivery of spirituous liquor provided it is loaded at the premises of the restaurant or bar and delivered within the state.
  - a) Outlines container labeling requirements.
5. Asserts the licensee is responsible for any violation law or rules regarding the sale or delivery of spirituous liquor, except when a violation is attributable to licensed third-party facilitator.
6. Requires deliveries be made by an employee and to a customer who is at least 21 years old.
7. Requires the restaurant or bar licensee or third-party facilitator to collect the full payment for the liquor before the product leaves the premises.
8. Directs the Director to adopt rules that set operational limits for the delivery of spirituous liquors.
  - a) Adds any violation based on an act or omission of a licensee's employee or third-party facilitator will be mitigated in accordance with statute.

***Restaurant License Series 12; Permit to Sell Mixed Cocktails (Sec. 3)***

9. Allows a restaurant applicant or licensee to apply for a permit to sell mixed cocktails off the licensed premises.
10. Requires the issuance of the permit only after the Director has determined the convenience and interest of the community will be substantially served.
  - a) Specifies after issuance, the permit must be noted on the license and in the records of the Department.
  - b) Allows the Department to establish an application and renewal fee.
11. Stipulates all applicants for the permit and their employees, managers and managing agents complete alcohol training.
12. Specifies the Director cannot treat a contracted third-party facilitator's violation as a violation by the restaurant.

***Bar License Series 6 (Sec. 5)***

13. Specifies the Director cannot treat a contracted third-party facilitator's violation as a violation by the bar.

***Third-Party Facilitator Licensure (Sec. 4)***

14. Allows the Director to issue a third-party facilitator license for the purpose of facilitating the delivery of spirituous liquor.
  - a) Allows the Director to establish a license and renewal fee and outlines the required content of the application.
  - b) Permits the Director the refuse to issue a third-party facilitator license for good cause.
  - c) Outlines conditions in which the Director may not issue a license.
15. Asserts a license is valid for one year and cannot be transferred.
16. Permits the Director the establish a license renewal fee to be used for administrative costs associated with the license, auditing and enforcement.
17. Allows the Director to suspend, revoke or refuse to renew a license for any violation or good cause or to impose a civil penalty against the licensee for each violation.
  - a) Allows the licensee to appeal the finding or decision of the Director.

- b) Specifies the civil penalty imposed is at least \$200 but not more than \$300. (Sec. 7)
- 18. Permits a licensee to deliver beer, wine and mixed cocktails to a consumer on behalf of a bar or a restaurant.
  - a) Requires the Director to adopt rules that set age verification and record standards.
- 19. Requires all third-party facilitator applicants, licensees and their employees, managers and managing agents to complete alcohol training.

***Fees for Licensure (Sec. 6)***

- 20. Clarifies the application fee for a permit for a restaurant to sell mixed cocktails off the premises is set by the Director.
- 21. Clarifies the Department may charge a fee for a third-party facilitator license.
  - a) Prohibits the Department from charging an application fee.
- 22. Permits the Director to establish an annual fee for a permit for a restaurant to sell mixed cocktails off the premises.
- 23. Permits the Director to charge a fee for the annual renewal of a third-party facilitator license.

***Miscellaneous***

- 24. Defines *mixed cocktail* as a drink containing one or more spirituous liquors that contain more than .5% of alcohol by volume and that are combined at the licensed premises. (Sec. 1)
- 25. Excludes, as an unlawful act, to knowingly allow spirituous liquor to be removed from the licensed premises with respect to a bar licensee that prepares beer, wine or a mixed cocktail, or a restaurant licensee that holds the appropriate permit and prepares a mixed cocktail and transfers it to a clean container and is not for consumption on the premises if:
  - a) The licensee or employee fills the container on the premises; and
  - b) The container is sealed and displays a government warning label. (Sec. 8)
- 26. Makes technical and conforming changes.

**Amendments**

Committee on Commerce

- 1. Makes clarifying changes.