

House Engrossed

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

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

CHAPTER 345

# **HOUSE BILL 2182**

AN ACT

AMENDING SECTION 4-206.01, ARIZONA REVISED STATUTES; RELATING TO LIQUOR LICENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 4-206.01, Arizona Revised Statutes, is amended to  
3 read:

4 4-206.01. Bar, beer and wine bar or liquor store licenses;  
5 number permitted; fee; sampling privileges

6 A. The director shall determine the total number of spirituous liquor  
7 licenses by type and in each county. The director shall publish a listing of  
8 that information as determined by the director.

9 B. In each county, the director, each year, shall issue additional  
10 bar, beer and wine bar or liquor store licenses at the rate of one of each  
11 type for each additional ten thousand person increase over the population in  
12 that county as of July 1, 2010. Any licenses that have been revoked or  
13 reverted in any county after July 1, 2014 may be reissued by the director in  
14 the county of their issuance. The director may waive the issuance of any  
15 series of new, revoked or reverted licenses in a county for one year where  
16 there has been no request made to the department for the issuance of a new  
17 license of that series. For the purposes of this subsection, the population  
18 of a county is deemed to be the population estimated by the office of  
19 employment and population statistics within the Arizona department of  
20 administration as of July 1 of each year.

21 C. A person issued a license authorized by subsection B of this  
22 section shall pay an additional issuance fee equal to the license's fair  
23 market value that shall be paid to the state general fund. The fair market  
24 value shall be defined to mean the mean value of licenses of the same type  
25 sold on the open market in the same county during the prior twelve months,  
26 but if there are not three or more sales then the fair market value shall be  
27 determined by two appraisals furnished to the department by independent  
28 professional appraisers employed by the director.

29 D. The director shall employ professional appraisal services to  
30 determine the fair market value of bar, beer and wine bar or liquor store  
31 licenses.

32 E. If more than one person applies for an available license, a  
33 priority of applicants shall be determined by a random selection method  
34 prescribed by the director.

35 F. After January 1, 2011, bar licenses and beer and wine bar licenses  
36 shall be issued and used only if the clear primary purpose and actual primary  
37 use is for on-sale retailer privileges. The off-sale privileges associated  
38 with a bar license and a beer and wine bar license shall be limited to use,  
39 which is clearly auxiliary to the active primary on-sale privilege. A bar  
40 license or a beer and wine bar license shall not be issued or used if the  
41 associated off-sale use, by total retail spirituous liquor sales, exceeds  
42 thirty ~~per cent~~ PERCENT of the sales price of on-sale spirituous liquors by  
43 the licensee at that location. For dual licenses issued pursuant to a single  
44 site or where a second license is issued to a site that already has a  
45 spirituous liquor license, other than settlement licenses issued as provided

1 by law, the applicant shall have the burden of establishing that public  
2 convenience and the best interest of the community will be served by the  
3 issuance of the license.

4 G. The director may issue a beer and wine store license to the holder  
5 of a beer and wine bar license simultaneously at the same premises. An  
6 applicant for a beer and wine bar license and a beer and wine store license  
7 may consolidate the application and may apply for both licenses at the same  
8 time. The holder of each license shall fully comply with all applicable  
9 provisions of this title. A beer and wine bar license and beer and wine  
10 store license on the same premises shall be owned by and issued to the same  
11 licensee.

12 H. The director may issue a beer and wine bar license to the holder of  
13 a liquor store license issued simultaneously at the same premises. An  
14 applicant for a liquor store license and a beer and wine bar license may  
15 consolidate the application and may apply for both licenses at the same time.  
16 The holder of each license shall fully comply with all applicable provisions  
17 of this title. A liquor store license and a beer and wine bar license on the  
18 same premises shall be owned by and issued to the same licensee.

19 I. The director may issue a restaurant license to the holder of a beer  
20 and wine bar license issued simultaneously at the same premises. An  
21 applicant for a restaurant license and a beer and wine bar license may  
22 consolidate the application and may apply for both licenses at the same time.  
23 The holder of each license shall fully comply with all applicable provisions  
24 of this title. A restaurant license and a beer and wine bar license on the  
25 same premises shall be owned by and issued to the same licensee. The  
26 limitation set forth in subsection F of this section with respect to the  
27 off-sale privileges of the beer and wine bar licenses shall be measured  
28 against the on-sales of beer and wine sales of the establishment. For the  
29 purposes of compliance with section 4-205.02, subsection H, paragraph 2, it  
30 shall be conclusively presumed that all on premises sales of spirituous  
31 liquors are made under the authority of the restaurant license.

32 J. An applicant for a liquor store license or a beer and wine store  
33 license and the licensee of a liquor store license or a beer and wine store  
34 license may apply for sampling privileges associated with the license. ~~Beer  
35 and wine store premises shall contain at least five thousand square feet in  
36 order to be eligible for sampling privileges.~~ BEER AND WINE STORE PREMISES  
37 CONTAINING LESS THAN FIVE THOUSAND SQUARE FEET MUST DEDICATE AT LEAST  
38 SEVENTY-FIVE PERCENT OF RETAIL SHELF SPACE TO THE SALE OF SPIRITUOUS LIQUOR  
39 IN ORDER TO BE ELIGIBLE FOR SAMPLING PRIVILEGES. A person desiring a  
40 sampling privilege associated with a liquor store license shall apply to the  
41 director on a form prescribed and furnished by the director. The application  
42 for sampling privileges may be filed for an existing license or may be  
43 submitted with an initial license application. The request for sampling  
44 approval, the review of the application and the issuance of approval shall be  
45 conducted under the same procedures for the issuance of a spirituous liquor

1 license prescribed in section 4-201. After a sampling privilege has been  
2 issued for a liquor store license or a beer and wine store license, the  
3 sampling privilege shall be noted on the license itself and in the records of  
4 the department. The sampling rights associated with a license are not  
5 transferable. The director may charge a fee for processing the application  
6 for sampling privileges and a renewal fee as provided in this section. A  
7 city or town shall not charge any fee relating to the issuance or renewal of  
8 a sampling privilege. Notwithstanding section 4-244, paragraph 19, a liquor  
9 store licensee or a beer and wine store licensee that holds a license with  
10 sampling privileges may provide spirituous liquor sampling subject to the  
11 following requirements:

12 1. Any open product shall be kept locked by the licensee when the  
13 sampling area is not staffed.

14 2. The licensee is otherwise subject to all other provisions of this  
15 title. The licensee is liable for any violation of this title committed in  
16 connection with the sampling.

17 3. The licensed retailer shall make sales of sampled products from the  
18 licensed retail premises.

19 4. The licensee shall not charge any customer for the sampling of any  
20 products.

21 5. The sampling shall be conducted under the supervision of an  
22 employee of a sponsoring distiller, vintner, brewer, wholesaler or retail  
23 licensee.

24 6. Accurate records of sampling products dispensed shall be retained  
25 by the licensee.

26 7. Sampling shall be limited to three ounces of beer or cooler-type  
27 products, one and one-half ounces of wine and one ounce of distilled spirits  
28 per person, per brand, per day.

29 8. The sampling shall be conducted only on the licensed premises.

30 K. If a beer and wine bar license and a beer and wine store license  
31 are issued at the same premises, for the purposes of reporting liquor  
32 purchases under each license, all spirituous beverages purchased for sampling  
33 are conclusively presumed to be purchased under the beer and wine bar license  
34 and all spirituous liquor sold off-sale are conclusively presumed to be  
35 purchased under the beer and wine store license.

36 L. The director may issue a beer and wine store license to the holder  
37 of a bar license simultaneously at the same premises. An applicant for a  
38 beer and wine store license and a bar license may consolidate the application  
39 and may apply for both licenses at the same time. The holder of each license  
40 shall fully comply with all applicable provisions of this title. A beer and  
41 wine store license and a bar license on the same premises shall be owned by  
42 and issued to the same licensee. If a beer and wine store license and a bar  
43 license are issued at the same premises, for purposes of reporting liquor  
44 purchases under each license, all off-sale beer and wine sales are  
45 conclusively presumed to be purchased under the beer and wine store license.

Passed the House February 18, 20 16

Passed the Senate May 7, 20 16

by the following vote: 41 Ayes,

by the following vote: 25 Ayes,

17 Nays, 2 Not Voting

3 Nays, 2 Not Voting

Speaker of the House

President of the Senate

Norma Chastain  Pro Tempore

Asst. Chief Clerk of the House

Susan Adams  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

9th day of May, 20 16

at 9:54 o'clock A. M.

Secretary to the Governor

Approved this 18th day of

May

at 8:55 o'clock A. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 18th day of May, 20 16

at 12:05 o'clock P. M.

Secretary of State

H.B. 2182