



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

April 10, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on April 10, 2018:

HB 2173 notice of participation; jurisdictional elections (Coleman)
HB 2304 public buildings; omnibus (Campbell)
HB 2449 child care assistance; tiered reimbursement (Udall)
SB 1008 common schools; average daily membership (Petersen)
SB 1112 insurance; surplus lines; exemption (Fann)
SB 1117 liquor establishments; peace officers; firearms (Kavanagh)
SB 1164 DES; fingerprint card; tax information (Brophy McGee)
SB 1166 permanent guardianship; subsidy (Brophy McGee)
SB 1201 county treasurer; electronic records; liens (Worsley)
SB 1208 ATVs; off-highway vehicles (Pratt)
SB 1217 insurance; small employers; continuation coverage (Brophy McGee)
SB 1247 health insurance; mandated provision prohibited (Barto)
SB 1287 ADOT revisions (Worsley)
SB 1289 schools; national motto; state motto (Griffin)
SB 1353 limited liability company act; revisions (Worsley)
SB 1389 HIV; needs assessment; prevention (Brophy McGee)
SB 1494 environment; underground injection control program (Griffin)
SB 1500 employment security; employee; employer; status (Smith)
SB 1517 state dinosaur; Sonorasaurus (Brophy McGee)

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive style with a large initial 'D'.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed
FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 159

SENATE BILL 1117

AN ACT

AMENDING SECTION 4-244, 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 4-244, Arizona Revised Statutes, is amended to
3 read:

4 4-244. Unlawful acts

5 It is unlawful:

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

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

13 3. For a distiller, vintner, brewer or wholesaler knowingly to
14 sell, dispose of or give spirituous liquor to any person other than a
15 licensee except in sampling wares as may be necessary in the ordinary
16 course of business, except in donating spirituous liquor to a nonprofit
17 organization that has obtained a special event license for the purpose of
18 charitable ~~fund-raising~~ FUND-RAISING activities or except in donating
19 spirituous liquor with a cost to the distiller, brewer or wholesaler of up
20 to five hundred dollars in a calendar year to an organization that is
21 exempt from federal income taxes under section 501(c) (3), (4), (6) or (7)
22 of the internal revenue code and not licensed under this title.

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

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

31 6. For a person to take or solicit orders for spirituous liquors
32 unless the person is a salesman or solicitor of a licensed wholesaler, a
33 salesman or solicitor of a distiller, brewer, vintner, importer or broker
34 or a registered retail agent.

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

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

41 9. Except as provided in paragraphs 10 and 11 of this section, for
42 a licensee or other person to sell, furnish, dispose of or give, or cause
43 to be sold, furnished, disposed of or given, to a person under the legal
44 drinking age or for a person under the legal drinking age to buy, receive,
45 have in the person's possession or consume spirituous liquor. This

1 paragraph shall not prohibit the employment by an off-sale retailer of
2 persons who are at least sixteen years of age to check out, if supervised
3 by a person on the premises who is at least eighteen years of age, package
4 or carry merchandise, including spirituous liquor, in unbroken packages,
5 for the convenience of the customer of the employer, if the employer sells
6 primarily merchandise other than spirituous liquor.

7 10. For a licensee to employ a person under eighteen years of age
8 to manufacture, sell or dispose of spirituous liquors. This paragraph
9 ~~shall~~ DOES not prohibit the employment by an off-sale retailer of persons
10 who are at least sixteen years of age to check out, if supervised by a
11 person on the premises who is at least eighteen years of age, package or
12 carry merchandise, including spirituous liquor, in unbroken packages, for
13 the convenience of the customer of the employer, if the employer sells
14 primarily merchandise other than spirituous liquor.

15 11. For an on-sale retailer to employ a person under eighteen years
16 of age in any capacity connected with the handling of spirituous liquors.
17 This paragraph does not prohibit the employment by an on-sale retailer of
18 a person under eighteen years of age who cleans up the tables on the
19 premises for reuse, removes dirty dishes, keeps a ready supply of needed
20 items and helps clean up the premises.

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

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

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

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

39 (c) An employee of an on-sale retail licensee, under the
40 supervision of a manager as part of the employee's training and education,
41 while not engaged in waiting on or serving customers may taste samples of
42 distilled spirits not to exceed two ounces per educational session or beer
43 or wine not to exceed four ounces per educational session, and provided
44 that a licensee shall not have more than two educational sessions in any
45 ~~thirty day~~ THIRTY-DAY period.

1 (d) An unpaid volunteer who is a bona fide member of a club and who
2 is not engaged in waiting on or serving spirituous liquor to customers may
3 purchase for himself and consume spirituous liquor while participating in
4 a scheduled event at the club. An unpaid participant in a food
5 competition may purchase for himself and consume spirituous liquor while
6 participating in the food competition.

7 (e) An unpaid volunteer of a special event licensee under section
8 4-203.02 may purchase and consume spirituous liquor while not engaged in
9 waiting on or serving spirituous liquor to customers at the special
10 event. This subdivision does not apply to an unpaid volunteer whose
11 responsibilities include verification of a person's legal drinking age,
12 security or the operation of any vehicle or heavy machinery.

13 14. For a licensee or other person to serve, sell or furnish
14 spirituous liquor to a disorderly or obviously intoxicated person, or for
15 a licensee or employee of the licensee to allow or permit a disorderly or
16 obviously intoxicated person to come into or remain on or about the
17 premises, except that a licensee or an employee of the licensee may allow
18 an obviously intoxicated person to remain on the premises for a period of
19 time of not to exceed thirty minutes after the state of obvious
20 intoxication is known or should be known to the licensee in order that a
21 nonintoxicated person may transport the obviously intoxicated person from
22 the premises. For the purposes of this section, "obviously intoxicated"
23 means inebriated to the extent that a person's physical faculties are
24 substantially impaired and the impairment is shown by significantly
25 uncoordinated physical action or significant physical dysfunction that
26 would have been obvious to a reasonable person.

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

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

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

38 18. For an on-sale retailer to permit an employee or for an
39 employee to solicit or encourage others, directly or indirectly, to buy
40 the employee drinks or anything of value in the licensed premises during
41 the employee's working hours. No on-sale retailer shall serve employees
42 or allow a patron of the establishment to give spirituous liquor to,
43 purchase liquor for or drink liquor with any employee during the
44 employee's working hours.



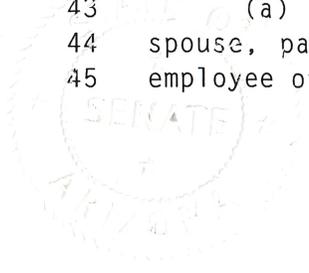
1 19. For an off-sale retailer or employee to sell spirituous liquor
2 except in the original unbroken container, to permit spirituous liquor to
3 be consumed on the premises or to knowingly permit spirituous liquor to be
4 consumed on adjacent property under the licensee's exclusive control.

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

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

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

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



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

4 (i) An active duty military service member.

5 (ii) A veteran.

6 (iii) A member of the United States army national guard or the
7 United States air national guard.

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

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

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

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

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

25 24. For a licensee or employee to knowingly permit the unlawful
26 possession, use, sale or offer for sale of narcotics, dangerous drugs or
27 marijuana on the premises. ~~As used in~~ FOR THE PURPOSES OF this paragraph,
28 "dangerous drug" has the same meaning prescribed in section 13-3401.

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

31 26. For a licensee or employee to knowingly permit unlawful
32 gambling on the premises.

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

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

38 29. For any person other than a peace officer WHILE ON DUTY OR OFF
39 DUTY or a member of a sheriff's volunteer posse while on duty who has
40 received firearms training that is approved by the Arizona peace officer
41 standards and training board, a retired peace officer as defined in
42 section 38-1113 or an honorably retired law enforcement officer who has
43 been issued a certificate of firearms proficiency pursuant to section
44 13-3112, subsection T, the licensee or an employee of the licensee acting
45 with the permission of the licensee to be in possession of a firearm while

1 on the licensed premises of an on-sale retailer. This paragraph shall not
2 be construed to include a situation in which a person is on licensed
3 premises for a limited time in order to seek emergency aid and such person
4 does not buy, receive, consume or possess spirituous liquor. This
5 paragraph shall not apply to:

6 (a) Hotel or motel guest room accommodations.

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

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

12 30. For a licensee or employee to knowingly permit a person in
13 possession of a firearm other than a peace officer WHILE ON DUTY OR OFF
14 DUTY or a member of a sheriff's volunteer posse while on duty who has
15 received firearms training that is approved by the Arizona peace officer
16 standards and training board, a retired peace officer as defined in
17 section 38-1113 or an honorably retired law enforcement officer who has
18 been issued a certificate of firearms proficiency pursuant to section
19 13-3112, subsection T, the licensee or an employee of the licensee acting
20 with the permission of the licensee to remain on the licensed premises or
21 to serve, sell or furnish spirituous liquor to a person in possession of a
22 firearm while on the licensed premises of an on-sale retailer. It shall
23 be a defense to action under this paragraph if the licensee or employee
24 requested assistance of a peace officer to remove such person. This
25 paragraph shall not apply to:

26 (a) Hotel or motel guest room accommodations.

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

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

32 31. For any person in possession of a firearm while on the licensed
33 premises of an on-sale retailer to consume spirituous liquor. This
34 paragraph does not prohibit the consumption of small amounts of spirituous
35 liquor by an undercover peace officer on assignment to investigate the
36 licensed establishment.

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

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

1 (b) A person who is in licensed premises that have noncontiguous
2 portions that are separated by a public or private walkway or driveway and
3 who takes spirituous liquor from one portion of the licensed premises
4 across the public or private walkway or driveway directly to the other
5 portion of the licensed premises.

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

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

14 (ii) The container is sealed and displays a government warning
15 label.

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

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

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

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

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

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

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

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

39 40. For a retailer to knowingly allow a customer to bring
40 spirituous liquor onto the licensed premises, except that an on-sale
41 retailer may allow a wine and food club to bring wine onto the premises
42 for consumption by the club's members and guests of the club's members in
43 conjunction with meals purchased at a meeting of the club that is
44 conducted on the premises and that at least seven members attend. An
45 on-sale retailer who allows wine and food clubs to bring wine onto its



1 premises under this paragraph shall comply with all applicable provisions
2 of this title and any rules adopted pursuant to this title to the same
3 extent as if the on-sale retailer had sold the wine to the members of the
4 club and their guests. For the purposes of this paragraph, "wine and food
5 club" means an association that has more than twenty bona fide members
6 paying at least six dollars per year in dues and that has been in
7 existence for at least one year.

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

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

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

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

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

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

25 43. For a person to purchase, offer for sale or use any device,
26 machine or process that mixes spirituous liquor with pure oxygen or
27 another gas to produce a vaporized product for the purpose of consumption
28 by inhalation or to allow patrons to use any item for the consumption of
29 vaporized spirituous liquor.

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

33 45. Except as authorized by paragraph 32, subdivision (c) of this
34 section, for a person to reuse a bottle or other container authorized for
35 use by the laws of the United States or any agency of the United States
36 for the packaging of distilled spirits or for a person to increase the
37 original contents or a portion of the original contents remaining in a
38 liquor bottle or other authorized container by adding any substance.

APPROVED BY THE GOVERNOR APRIL 10, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 10, 2018

Passed the House April 3, 2018,

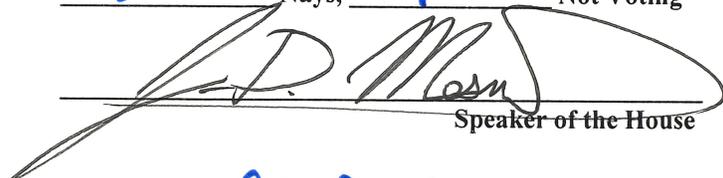
Passed the Senate February 8, 2018,

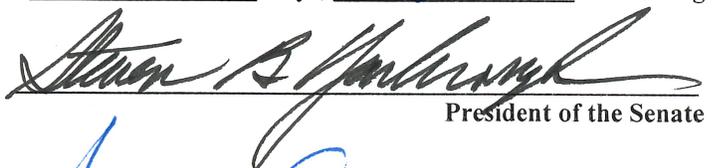
by the following vote: 31 Ayes,

by the following vote: 17 Ayes,

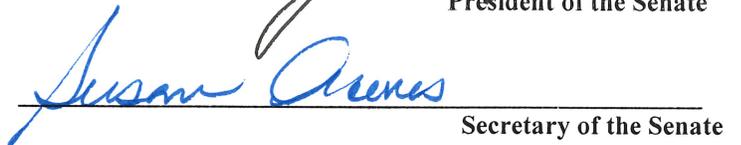
25 Nays, 4 Not Voting

13 Nays, 0 Not Voting


Speaker of the House


President of the Senate


Chief Clerk of the House

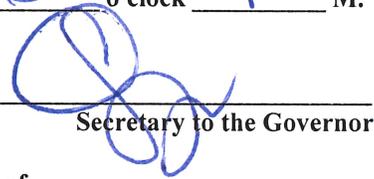

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

4th day of April, 2018,

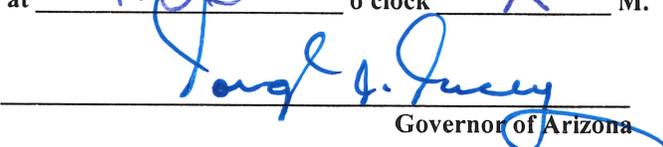
at 4:18 o'clock P. M.


Secretary to the Governor

Approved this 10th day of

April, 2018,

at 9:30 o'clock A. M.

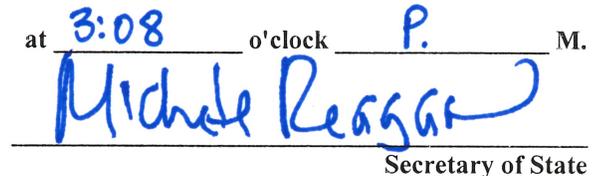

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 10 day of April, 2018,

at 3:08 o'clock P. M.


Secretary of State

S.B. 1117