

REFERENCE TITLE: liquor; restaurant licenses; insurance report

State of Arizona
Senate
Forty-ninth Legislature
Second Regular Session
2010

SB 1301

Introduced by
Senator McCune Davis

AN ACT

AMENDING SECTION 4-205.02, 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 4-205.02, Arizona Revised Statutes, is amended to
3 read:

4 4-205.02. Restaurant license; issuance; regulatory provisions;
5 expiration; definitions

6 A. The director may issue a restaurant license to any restaurant in
7 this state that is regularly open for the serving of food to guests for
8 compensation and that has suitable kitchen facilities connected with the
9 restaurant for keeping, cooking and preparing foods required for ordinary
10 meals.

11 B. The director shall issue the license in the name of the restaurant
12 upon application for the license by the owner or lessee of the restaurant,
13 provided the applicant is otherwise qualified to hold a spirituous liquor
14 license. The holder of such license is subject to the penalties prescribed
15 for any violation of the law relating to alcoholic beverages.

16 C. The holder of a restaurant license may sell and serve spirituous
17 liquors solely for consumption on the licensed premises. For the purpose of
18 this subsection, "licensed premises" may include rooms, areas or locations in
19 which the restaurant normally sells or serves spirituous liquors pursuant to
20 regular operating procedures and practices and that are contiguous to the
21 restaurant or a noncontiguous patio pursuant to section 4-101, paragraph 26.
22 For the purposes of this subsection, a restaurant licensee must submit proof
23 of tenancy or permission from the landowner or lessor for all property to be
24 included in the licensed premises.

25 D. In addition to other grounds prescribed in this title on which a
26 license may be revoked, the director may require the holder of a restaurant
27 license issued pursuant to this section to surrender the license in any case
28 in which the licensee ceases to operate as a restaurant, as prescribed in
29 subsection A of this section. The surrender of a license pursuant to this
30 subsection does not prevent the director from revoking the license for other
31 grounds prescribed in this title or for making deliberate material
32 misrepresentations to the department regarding the licensee's equipment,
33 service or entertainment items or seating capacity in applying for the
34 restaurant license.

35 E. Neither the director nor the board may initially issue a restaurant
36 license if either finds that there is sufficient evidence that the operation
37 will not satisfy the criteria adopted by the director for issuing a
38 restaurant license described in section 4-209, subsection B, paragraph 12.
39 The director shall issue a restaurant license only if the applicant has
40 submitted a plan for the operation of the restaurant. The plan shall be
41 completed on forms provided by the department and shall include listings of
42 all restaurant equipment and service items, the restaurant seating capacity
43 and other information requested by the department to substantiate that the
44 restaurant will operate in compliance with this section.

1 F. The holder of the license described in section 4-209, subsection B,
2 paragraph 12 who intends to alter the seating capacity or dimensions of a
3 restaurant facility shall notify the department in advance on forms provided
4 by the department.

5 G. EVERY PERSON WHO APPLIES FOR THE RENEWAL OF A RESTAURANT LICENSE
6 SHALL PROVIDE A COPY TO THE DEPARTMENT OF ANY DOCUMENTATION THAT IS SUBMITTED
7 TO THE PERSON'S INSURANCE CARRIER AND THAT INDICATES THE PERCENTAGE OF THE
8 GROSS REVENUE OF THE LICENSED PREMISES THAT IS DERIVED FROM THE SALE OF FOOD
9 AND THE PERCENTAGE OF GROSS REVENUE THAT IS DERIVED FROM THE SALE OF
10 SPIRITUOUS LIQUOR. THE DIRECTOR MAY IMPOSE A CIVIL PENALTY OF NOT LESS THAN
11 THIRTY-FIVE DOLLARS FOR FAILURE TO PROVIDE THIS DOCUMENTATION. ALL MONIES
12 PAID TO THE DEPARTMENT PURSUANT TO THIS SUBSECTION SHALL BE RETAINED BY THE
13 DEPARTMENT.

14 ~~G.~~ H. For the purposes of this section:

15 1. "Gross revenue" means the revenue derived from all sales of food
16 and spirituous liquor on the licensed premises, regardless of whether the
17 sales of spirituous liquor are made under a restaurant license issued
18 pursuant to this section or under any other license that has been issued for
19 the premises pursuant to this article.

20 2. "Restaurant" means an establishment that derives at least forty per
21 cent of its gross revenue from the sale of food, including sales of food for
22 consumption off the licensed premises if the amount of these sales included
23 in the calculation of gross revenue from the sale of food does not exceed
24 fifteen per cent of all gross revenue of the restaurant.