

## Part 2 Transferability of Retail License

### **32B-8a-201 Transferability of retail license.**

- (1)
  - (a) A retail license is separate from other property of a retail licensee.
  - (b) Notwithstanding Subsection (1)(a), the Legislature may terminate or modify the existence of any type of retail license.
  - (c) Except as provided in this chapter, a person may not:
    - (i) transfer a retail license from one location to another location; or
    - (ii) sell, transfer, assign, exchange, barter, give, or attempt in any way to dispose of the retail license to another person whether for monetary gain or not.
  - (d) If approved by the commission and subject to the requirements of this chapter, a retail licensee may transfer a retail license:
    - (i) from the retail licensee to another person, regardless of whether it is for the same premises; and
    - (ii) from one premises of the retail licensee to another premises of the retail licensee.
- (2)
  - (a) The commission may not approve the transfer of a retail license that results in a transferee holding a different type of retail license than is held by the transferor.
  - (b) The commission may not approve the transfer of a retail license from one location to another location, if the location of the premises to which the retail license would be transferred is in a different county than the location of the licensed premises of the retail license being transferred.
- (3) The commission may not approve the transfer of a retail license if the transferee:
  - (a) is not eligible to hold the same type of retail license as the retail license to be transferred at the premises to which the retail license would be transferred; or
  - (b) is delinquent in the payment of any of the following that arises in full or in part out of the operation of a retail license:
    - (i) a tax, fee, or charge due under this title or Title 59, Revenue and Taxation; or
    - (ii) an amount due under Title 35A, Chapter 4, Employment Security Act.
- (4) This chapter does not apply to a:
  - (a) master full-service restaurant license; or
  - (b) master limited-service restaurant license.

Amended by Chapter 349, 2013 General Session  
Revisor instructions Chapter 349, 2013 General Session

### **32B-8a-202 Effect of transfer of ownership of business entity.**

- (1)
  - (a) When the ownership of 51% or more of the shares of stock of a corporation is acquired by or transferred to one or more persons who did not hold the ownership of 51% of those shares of stock on the date a retail license is issued to the corporation, the corporation shall comply with this chapter to transfer the retail license to the corporation as if the corporation is newly constituted.
  - (b) When there is a new general partner or when the ownership of 51% or more of the capital or profits of a limited partnership is acquired by or transferred to one or more persons as general

or limited partners and who did not hold ownership of 51% or more of the capital or profits of the limited partnership on the date a retail license is issued to the limited partnership, the limited partnership shall comply with this chapter to transfer the retail license to the limited partnership as if the limited partnership is newly constituted.

- (c) When the ownership of 51% or more of the interests in a limited liability company is acquired by or transferred to one or more persons as members who did not hold ownership of 51% or more of the interests in the limited liability company on the date a retail license is issued to the limited liability company, the limited liability company shall comply with this chapter to transfer the retail license to the limited liability company as if the limited liability company is newly constituted.
- (2) If a business entity fails to comply with this section within 30 days of the day on which the event described in Subsection (1) occurs, the business entity's retail license is automatically forfeited.

Amended by Chapter 82, 2016 General Session

**32B-8a-203 Operational requirements for transferee.**

- (1)
- (a) A transferee shall begin operations of the retail license within 30 days from the day on which a transfer is approved by the commission, except that:
    - (i) the department may grant an extension of this time period not to exceed 30 days; and
    - (ii) after the extension is authorized by the department under Subsection (1)(a)(i), the commission may grant one or more additional extensions not to exceed, in the aggregate, seven months from the day on which the commission approves the transfer, if the transferee can demonstrate to the commission that the transferee:
      - (A) cannot begin operations because the transferee is improving the licensed premises;
      - (B) has obtained a building permit for the improvements described in Subsection (1)(a)(ii)(A); and
      - (C) is working expeditiously to complete the improvements to the licensed premises.
  - (b) A transferee is considered to have begun operations of the retail license if the transferee:
    - (i) has a licensed premises that is open to the public;
    - (ii) sells, offers for sale, or furnishes alcoholic products to a patron on the licensed premises described in Subsection (1)(b)(i); and
    - (iii) has a valid business license.
- (2) If a transferee fails to begin operations of the retail license within the time period required by Subsection (1), the following are automatically forfeited effective immediately:
- (a) the retail license; and
  - (b) the retail license fee.
- (3) A transferee shall begin operations of the retail license at the location to which the transfer applies before the transferee may seek a transfer of the retail license to a different location.
- (4) Notwithstanding Subsection (1), the commission may not issue a conditional license unless the requirements of Section 32B-5-205 are met, except that the time periods required by this section supersede the time period provided in Section 32B-5-205.

Amended by Chapter 82, 2016 General Session